

# The CMS Chart Series

## *An Overview of the U.S. Healthcare System: Two Decades of Change, 1980-2000*

Medicare

Medicaid

SCHIP

Get the Facts



1

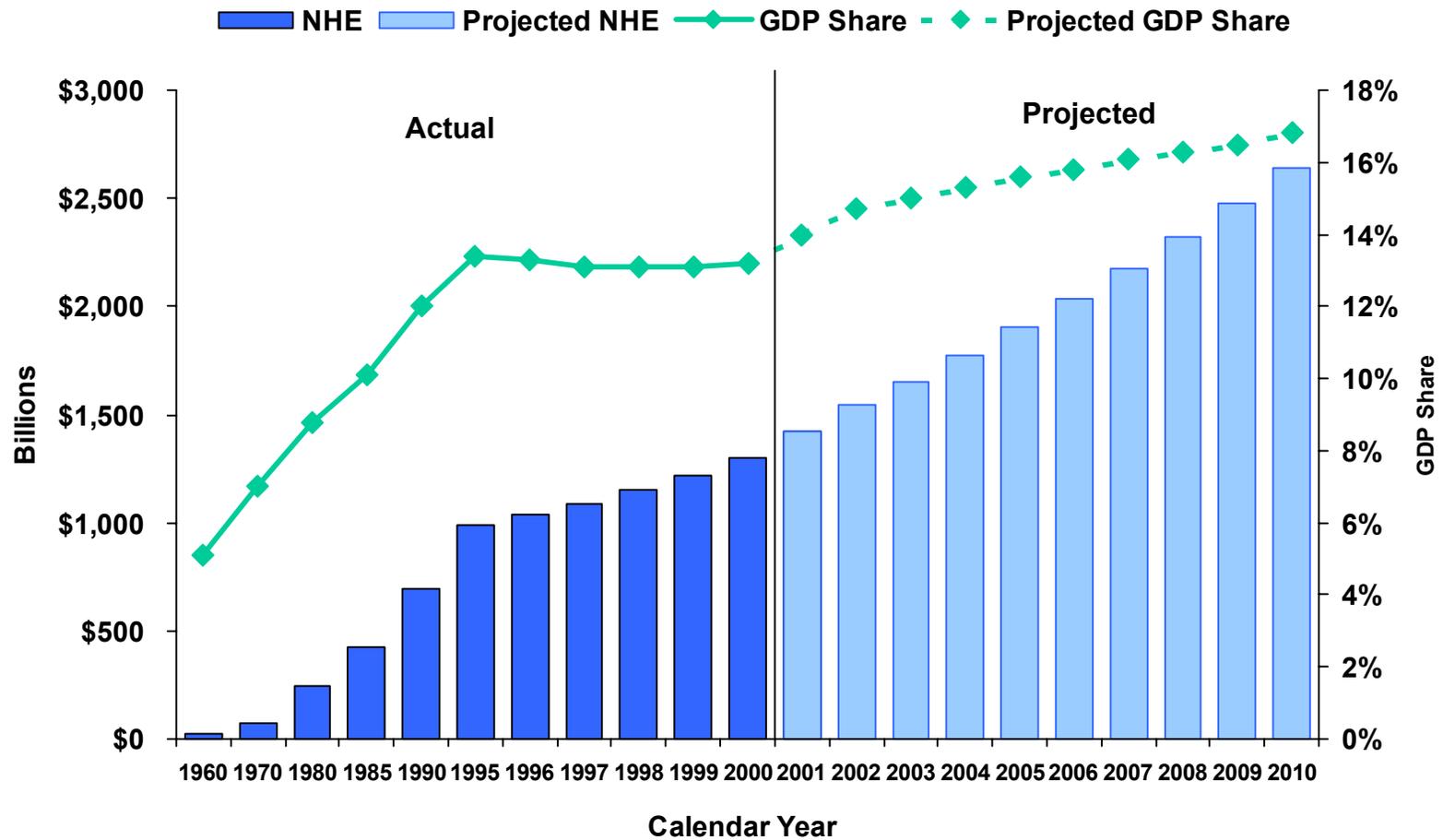
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# Table 1.1 National Health Expenditures and Their Share of Gross Domestic Product (GDP), 1960-2010

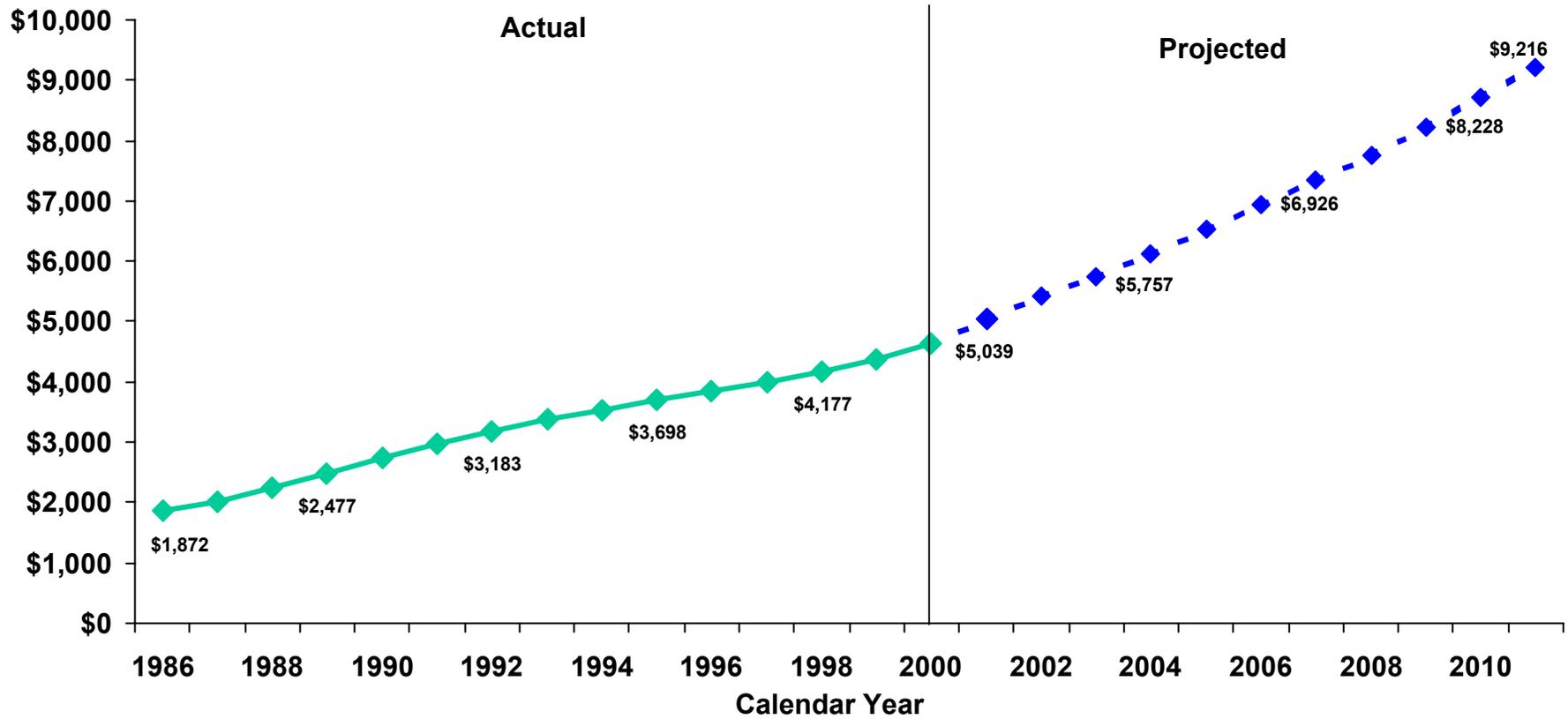
*National health spending growth is projected to significantly increase as a share of GDP over the next decade.*



Source: CMS, Office of the Actuary, National Health Statistics Group.

# Table 1.2 National Health Expenditures Per Capita, 1986-2010

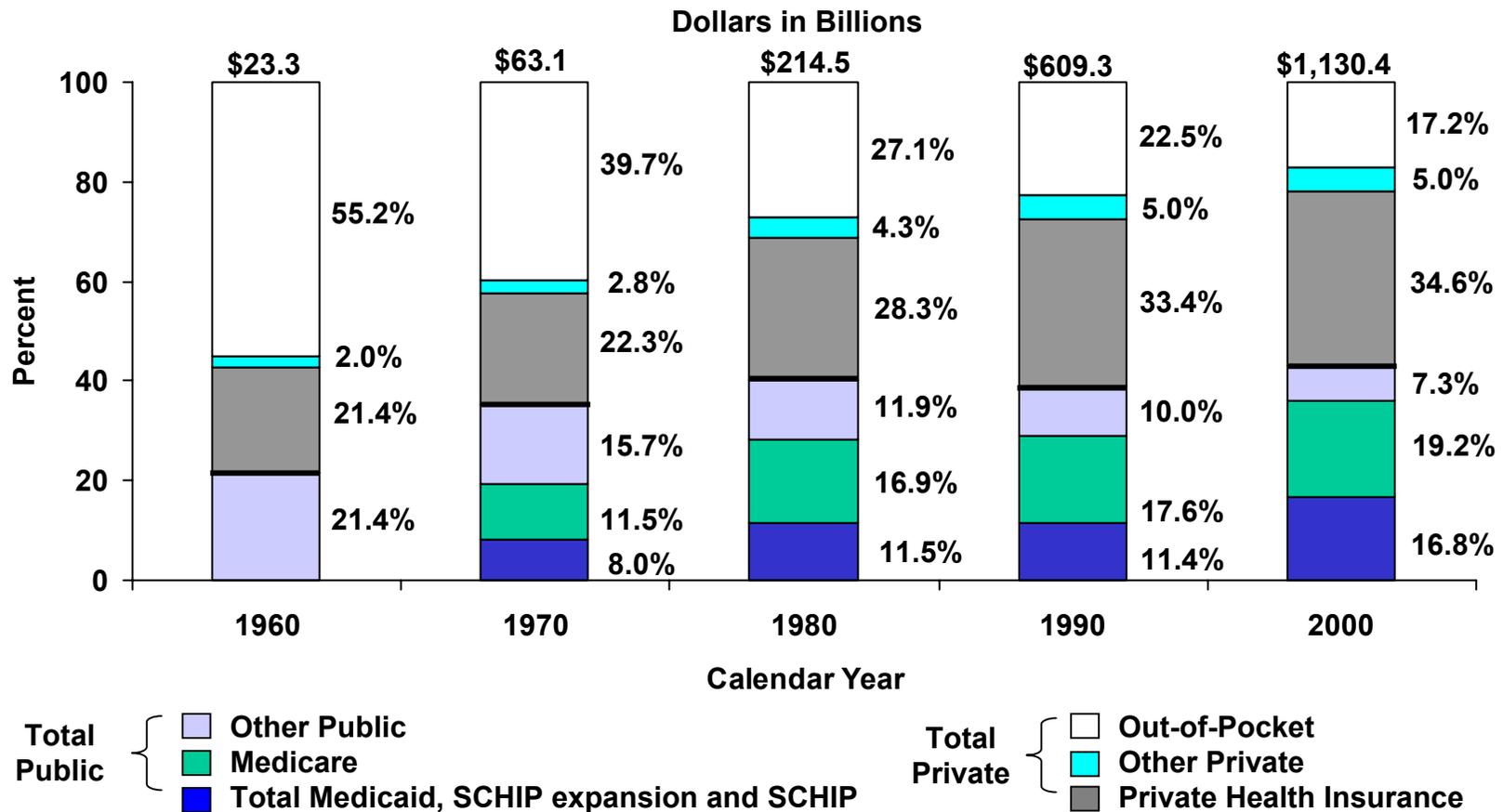
*National health spending per capita is projected to increase rapidly over the next decade.*



Source: CMS, Office of the Actuary, National Health Statistics Group.

## Table 1.3 Personal Health Care Expenditures by Source of Funds: Selected Years 1960-2000

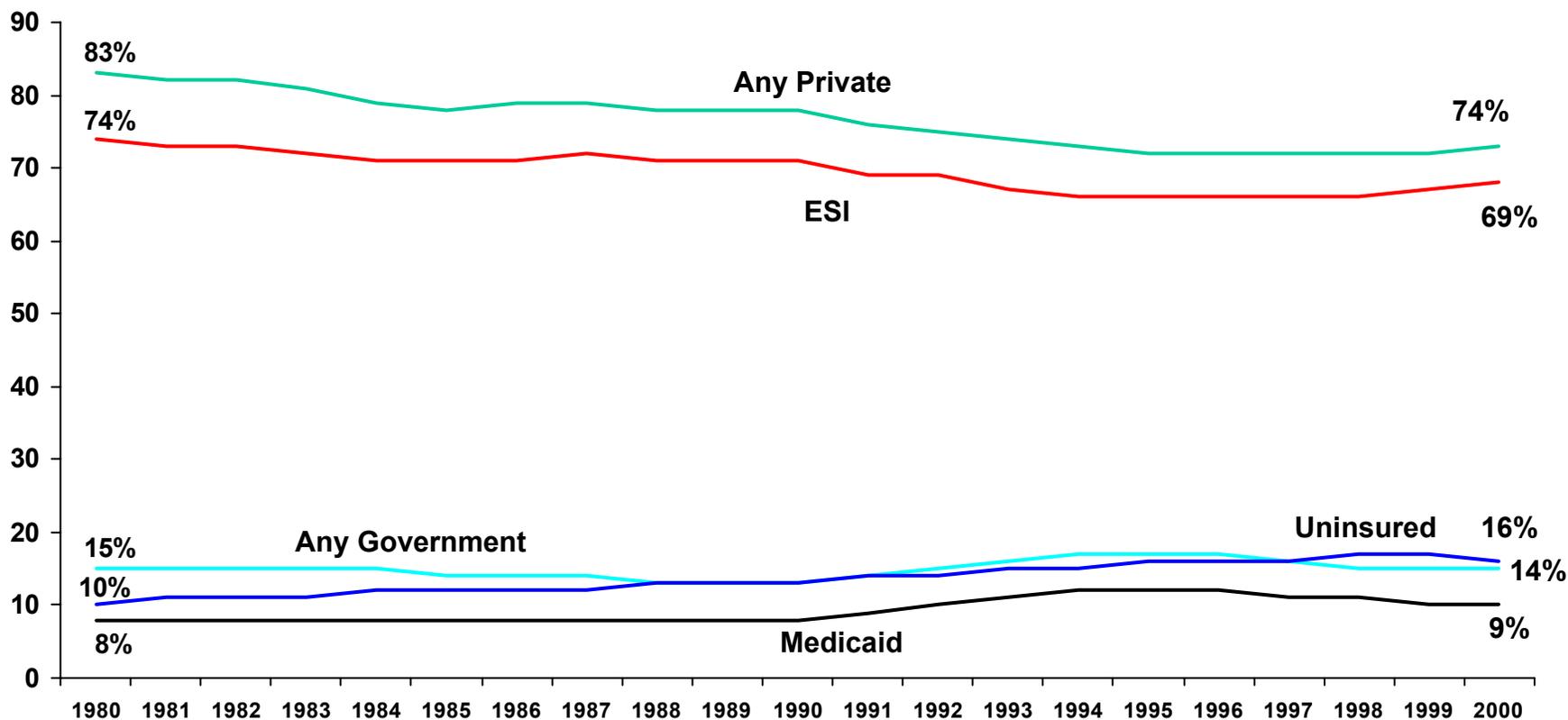
*Over the last several decades, the public sector share of health spending has increased, while the share from out-of-pocket spending has declined.*



Source: CMS, Office of the Actuary, National Health Statistics Group.

## Table 1.4 Sources of Health Insurance Coverage for the Under 65 Population, 1980-2000

*Over the last two decades, private coverage has declined, public coverage has stayed about the same, and the uninsured have grown.*

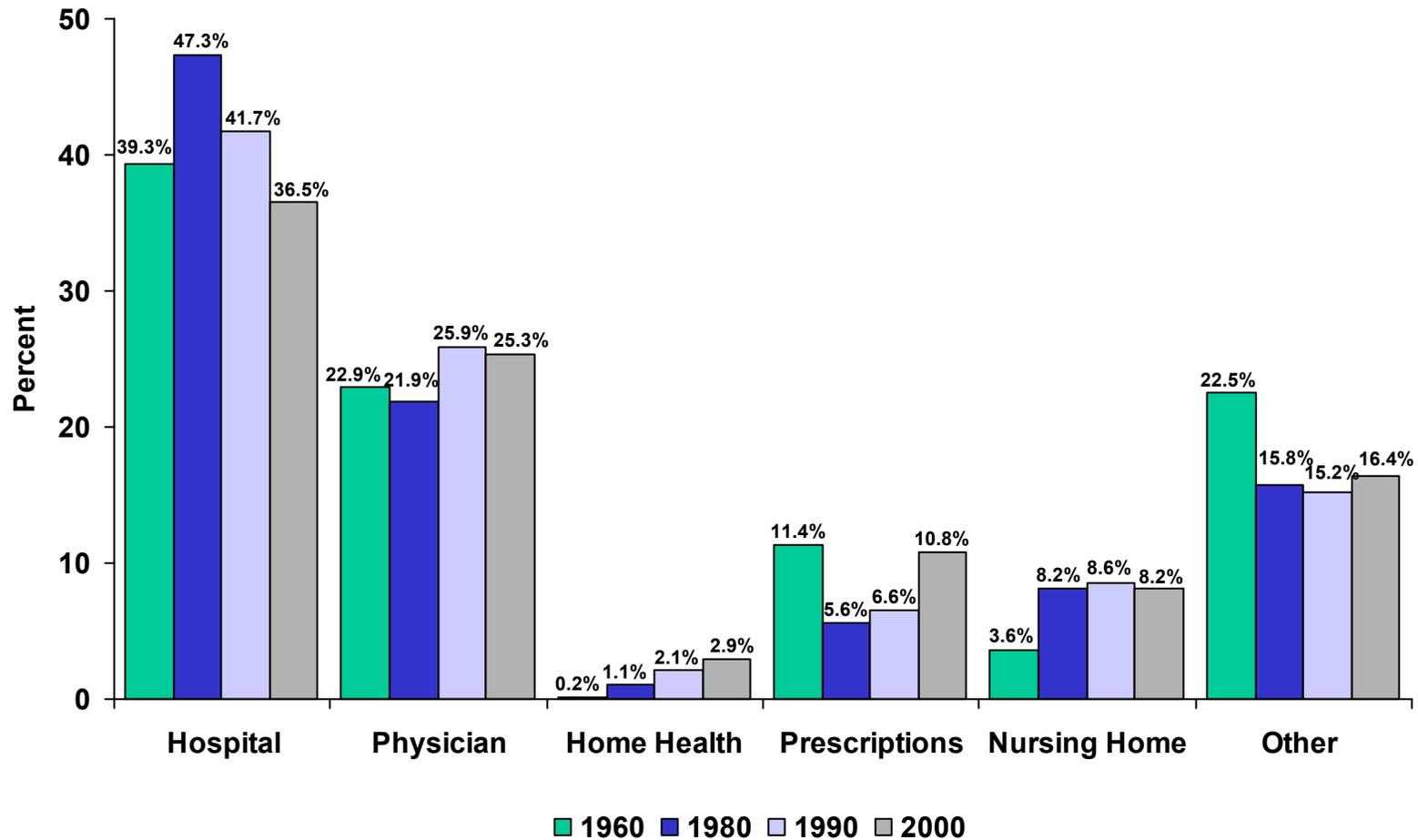


Notes: ESI - Employer Sponsored Insurance. Any Private includes ESI and individually purchased insurance. Any government includes Medicare for the disabled population.

Source: Tabulations of the March Current Population Survey files by Actuarial Research Corporation, incorporating their historical adjustments.

**Table 1.5**  
**Distribution of Personal Health Care Expenditures**  
**by Type of Service, 1960-2000**

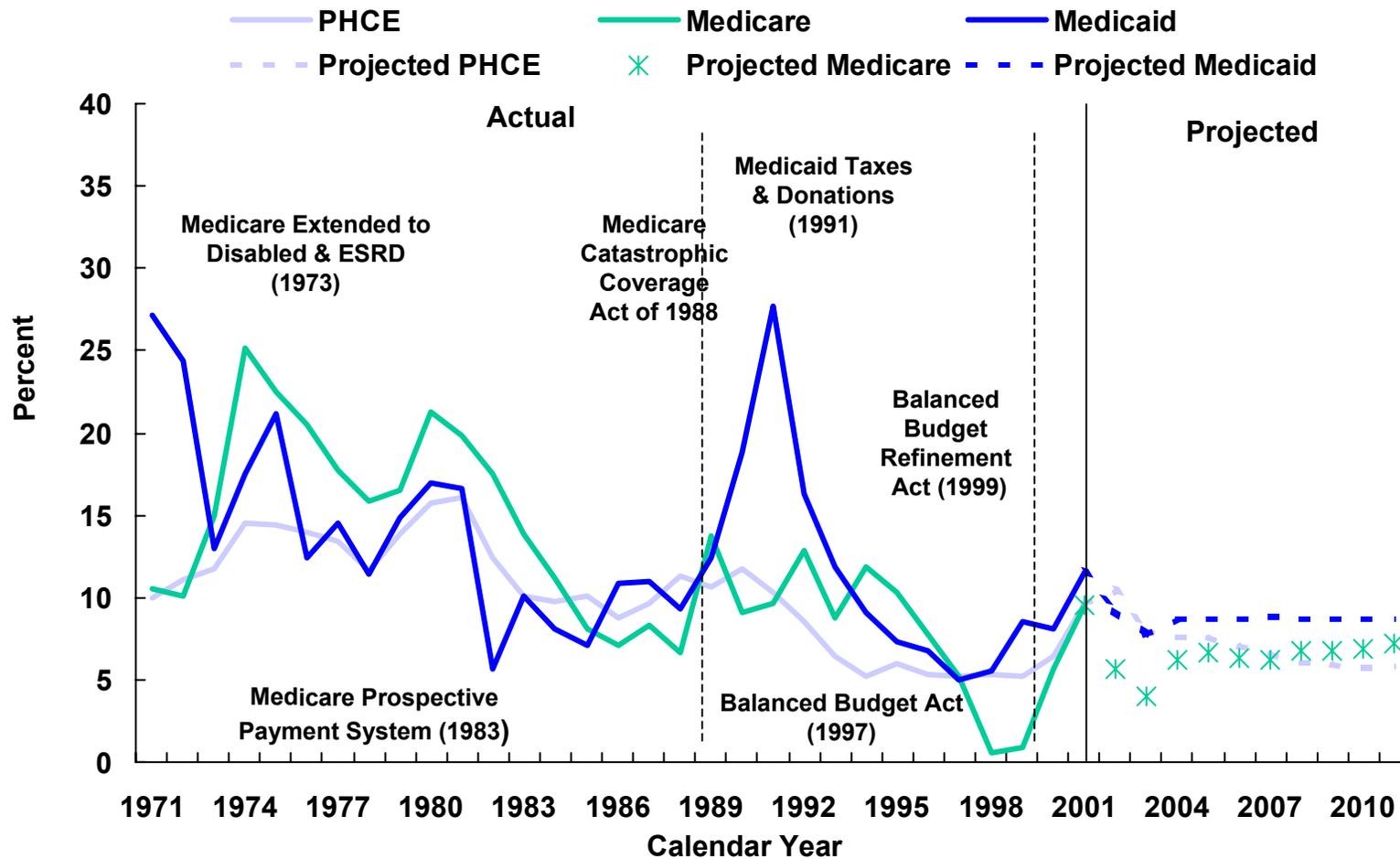
*The share of health spending on home health and nursing homes has grown. Physician share has stayed about the same while the hospital share grew and then declined.*



Source: CMS, Office of the Actuary, National Health Statistics Group.

# Table 1.6 Percent Change in Personal Health Care Expenditures for Medicare, Medicaid and Total: 1971-2010

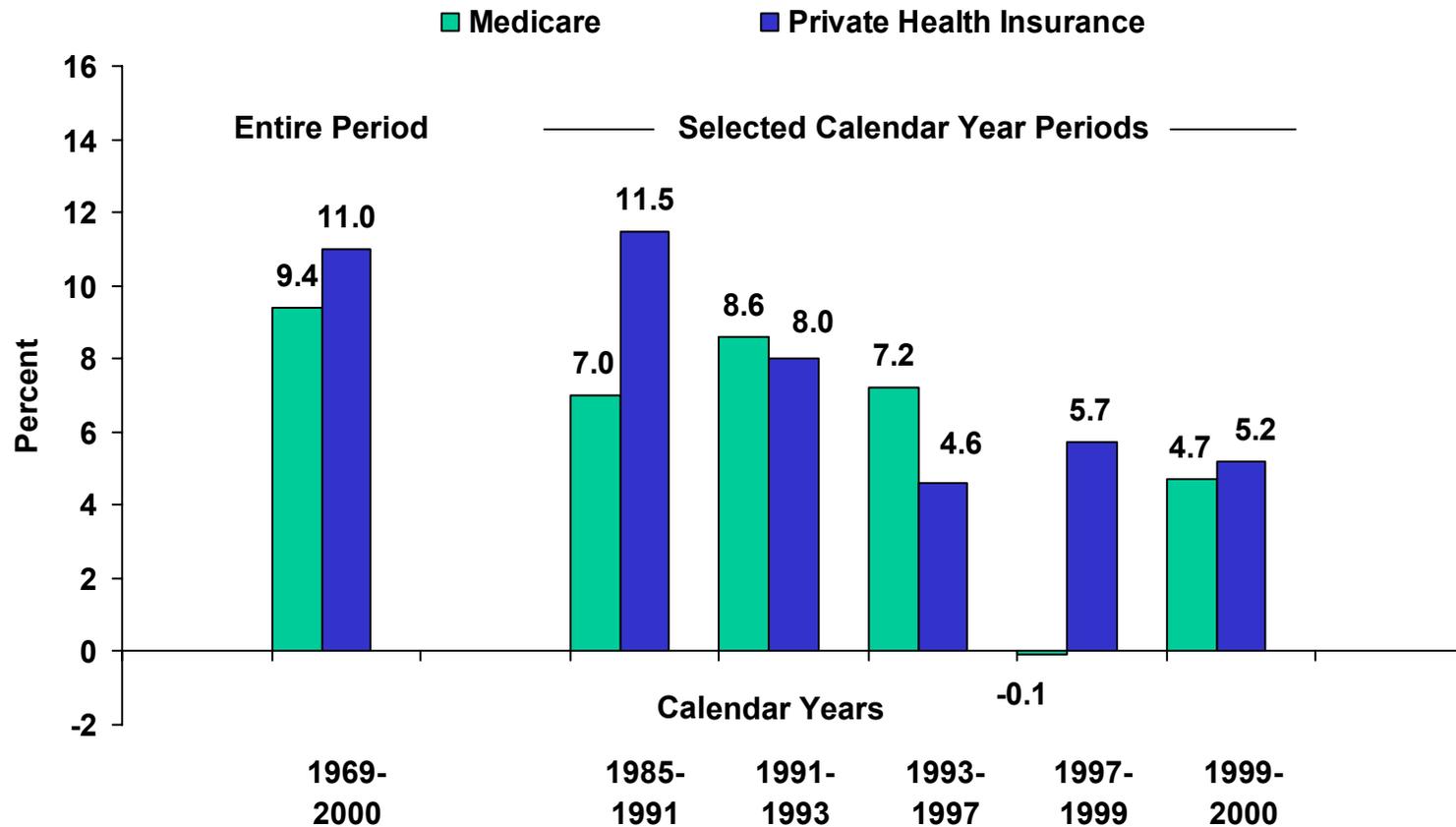
*While the actual percent changes vary, spending overall and for Medicare and for Medicaid tend to rise and fall together.*



Source: CMS, Office of the Actuary, National Health Statistics Group.

## Table 1.7 Average Annual Growth in Per Enrollee Medicare and Private Health Insurance Benefits: Selected Periods

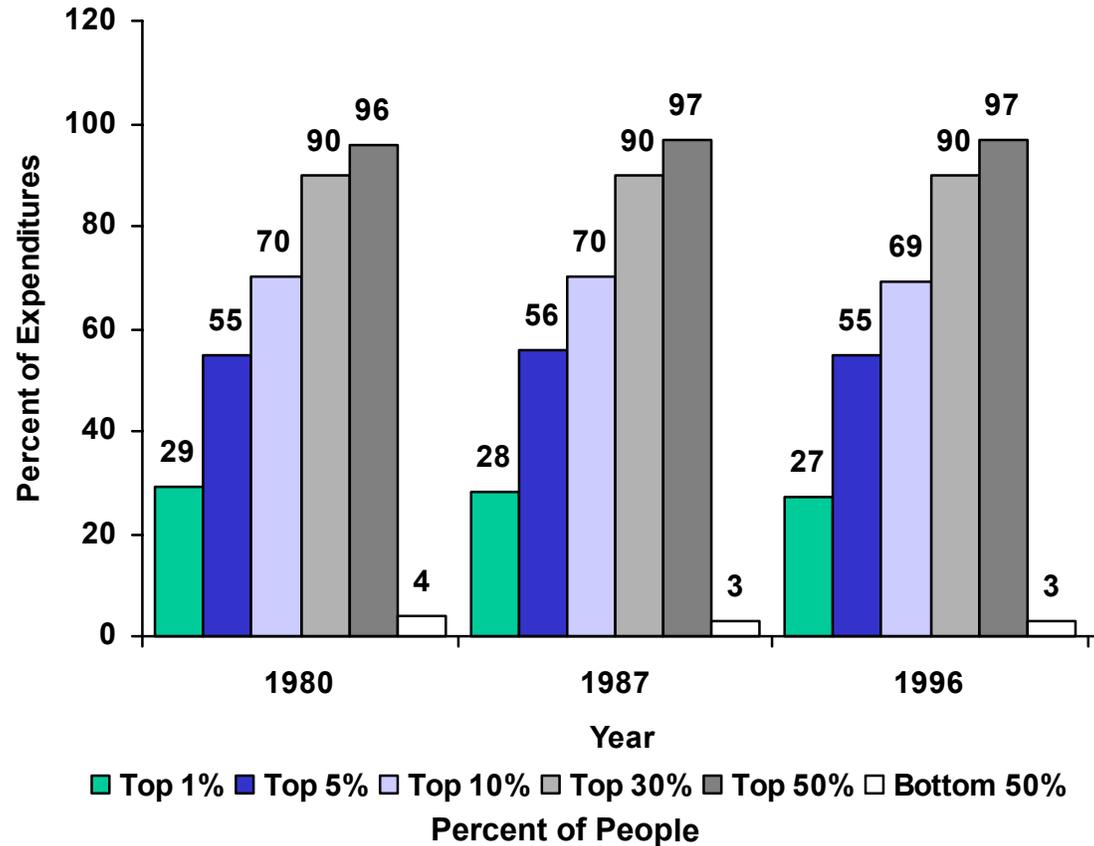
*Over the last 30 years, Medicare has grown a little slower than private health insurance.*



Source: CMS, Office of the Actuary, National Health Statistics Group.

## Table 1.8 Concentration of Health Spending, 1980-1996

*Health spending remains highly concentrated on a small percentage of people. The top 1% of people account for more than a quarter of all health spending.*

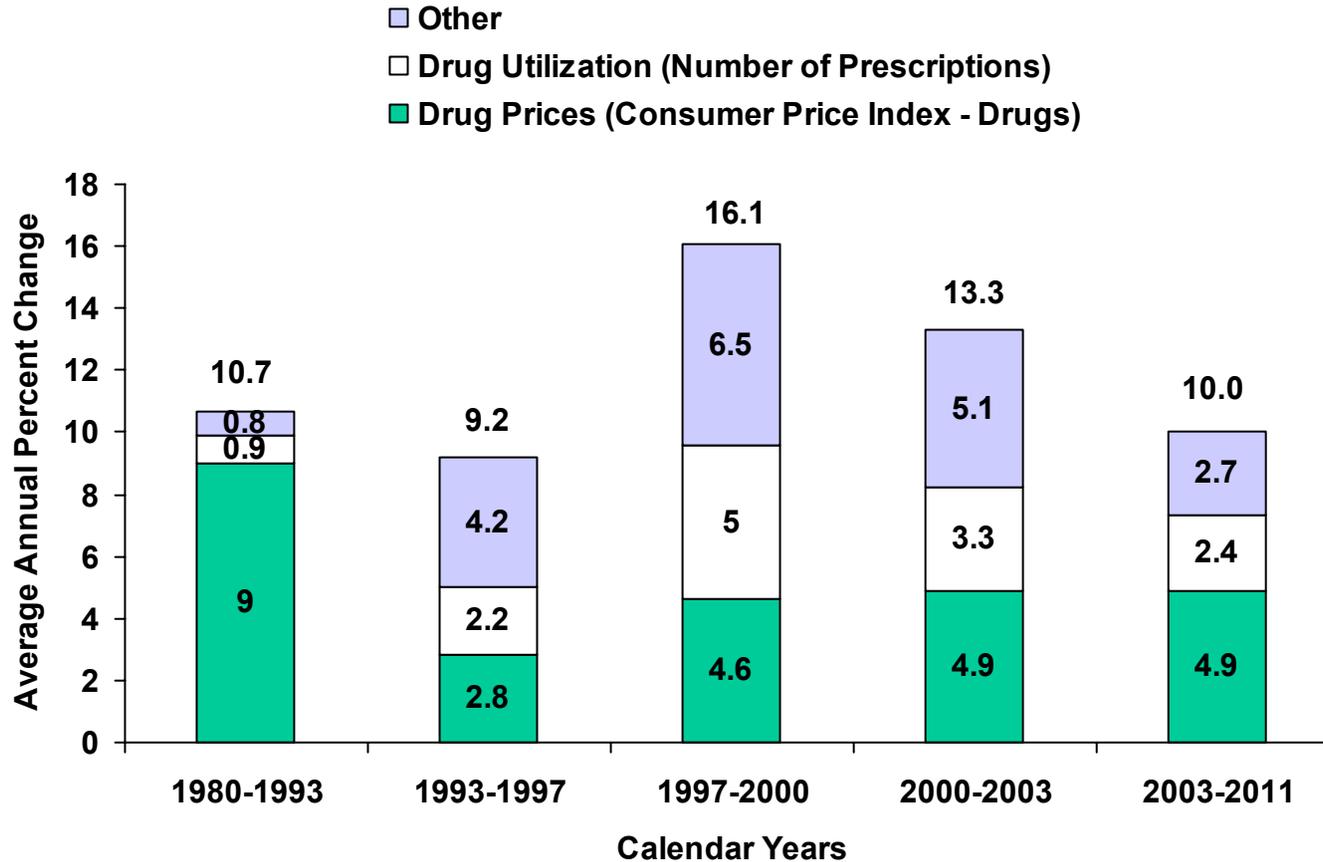


Note: Data for 1980 are from the National Medical Care Utilization and Expenditure Survey (NMCUES); for 1987, from the 1987 National Medical Expenditure Survey (NMES); and for 1996, from the 1996 National Medical Expenditure Panel Survey (MEPS).

Source: Berk, Mark and Alan Monheit, "The Concentration of Health Care Expenditures, Revisited," *Health Affairs* March/April 2001.

# Table 1.9 Factors Accounting for Growth in Prescription Drug Spending per Capita, 1980-2011

*Growth in spending is projected to return to 1980-1993 levels.*



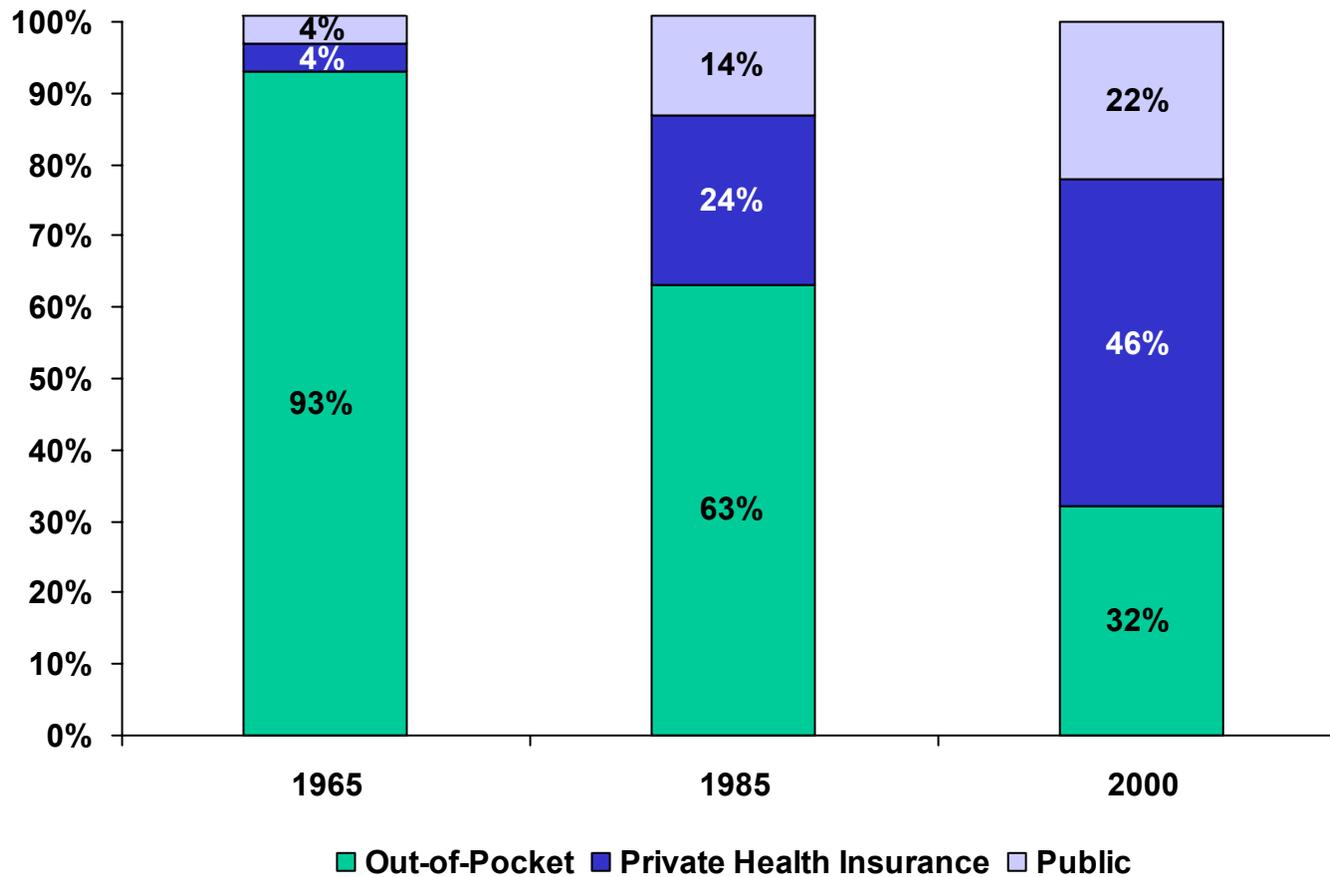
Note: Data for 2000-2011 are projections.

"Other" includes quality and intensity of services, and age-gender effects.

Source: CMS, Office of the Actuary, National Health Statistics Group.

## Table 1.10 Spending for Prescription Drugs by Source of Funds, 1965-2000

*The share of drug spending covered by public and private sources has grown significantly.*

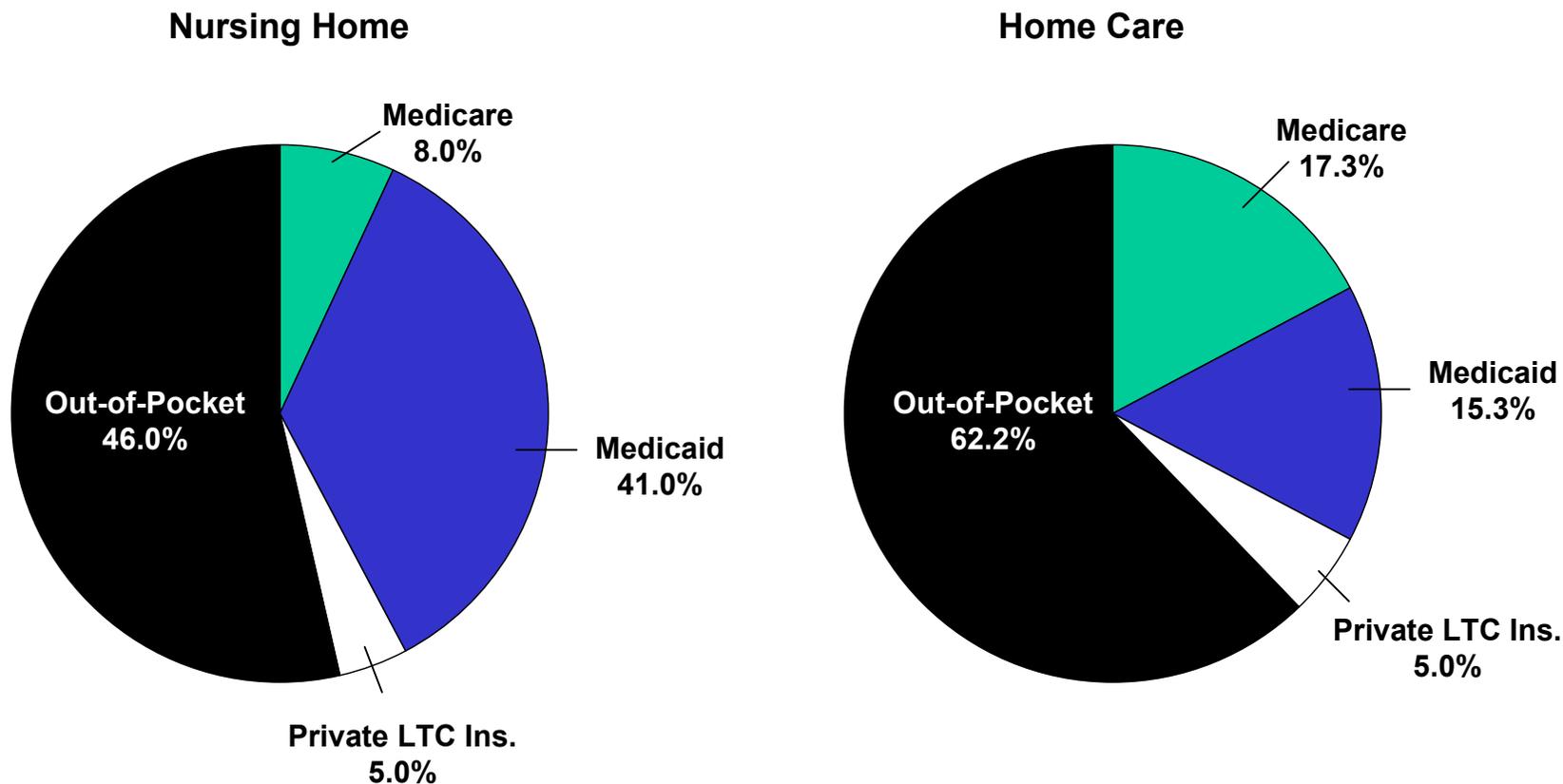


Note: Percentages may not sum to 100 due to rounding.

Source: CMS, Office of the Actuary, National Health Statistics Group.

# Table 1.11 Sources of Payment for Long Term Care, 2000

*Most long term care is paid for out-of-pocket by patients and their families.*

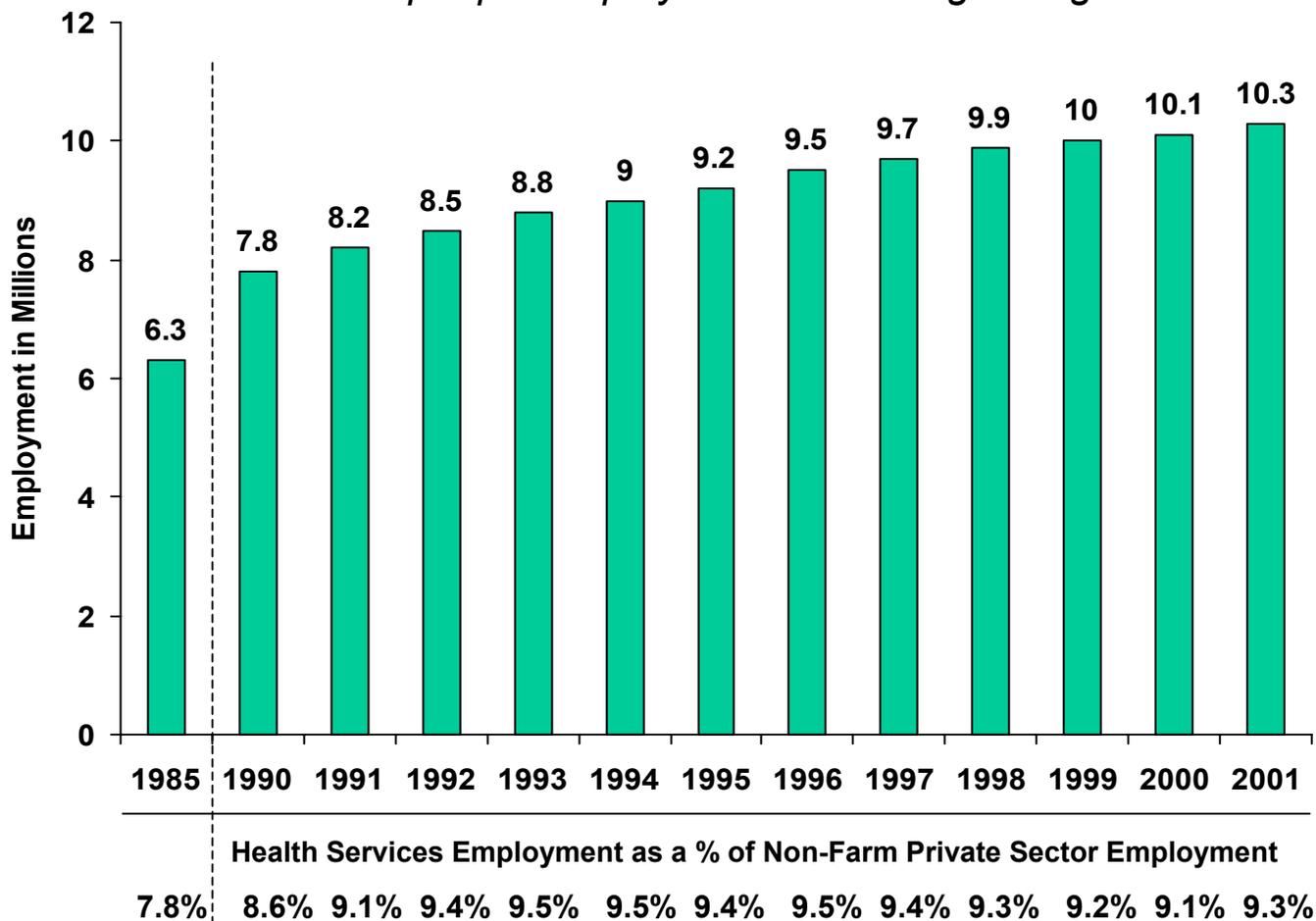


Total Long Term Care Spending in 2000 is \$100 Billion

Source: CMS, Office of the Actuary, National Health Statistics Group.

**Table 1.12**  
**Number of People Employed in Health Care, 1985-2001**

*Number of people employed in health is growing.*



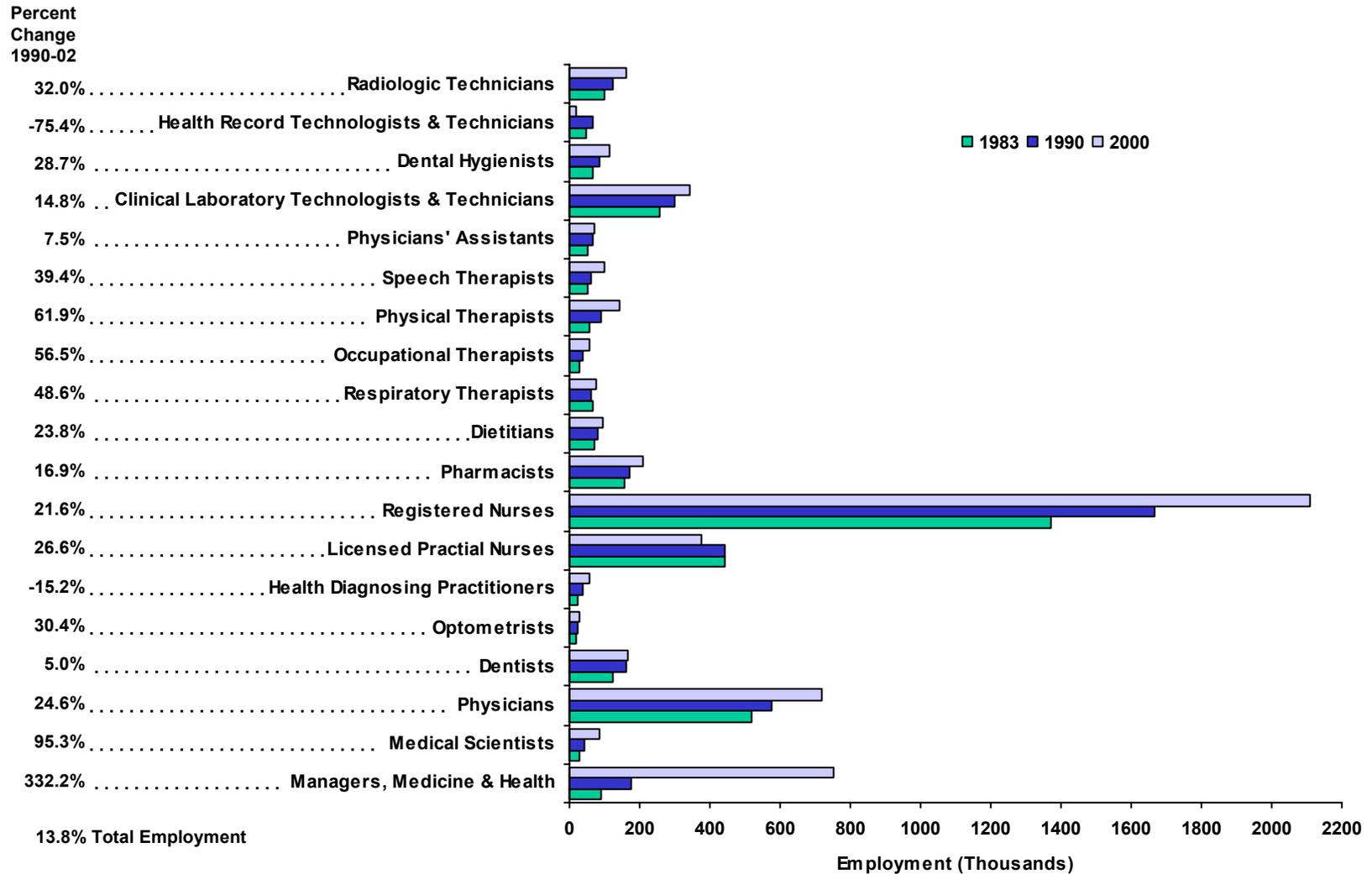
Note: Not seasonally adjusted.

Source: Bureau of Labor Statistics, data extracted from web site at [data.bls.gov/labjava/outside.jsp?survey=ee](http://data.bls.gov/labjava/outside.jsp?survey=ee). Trends and Indicators in the Changing Health Care Marketplace, 2002 – Chartbook.

# Table 1.13

## Health Care Employment by Occupation, 1983-2000

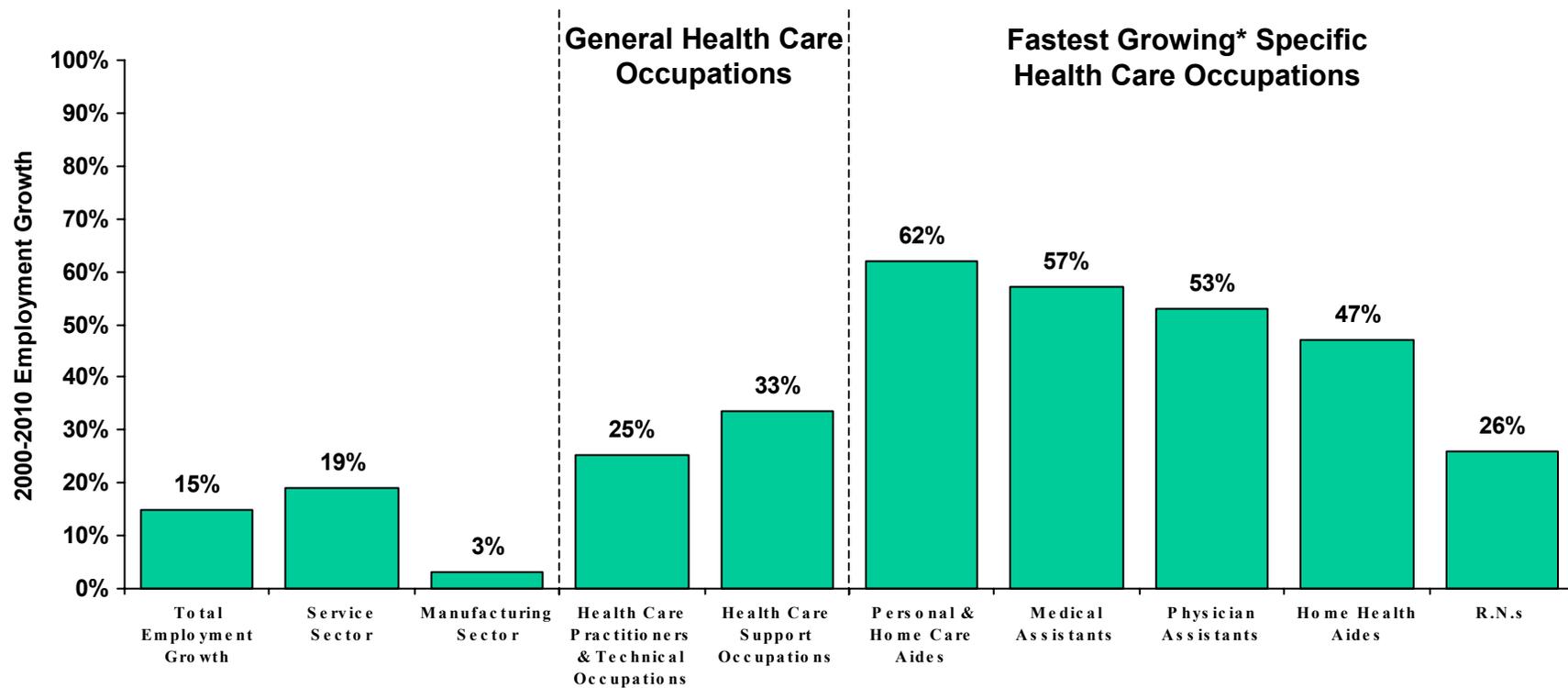
*Health care employment growth exceeded that of the general economy.*



Source: Dept. of Labor, Bureau of Labor Statistics. Current Population Survey.

## Table 1.14 Health Care Employment Growth Projections, 2000-2010

*Over the next decade, health care employment is expected to grow at a rapid rate.*

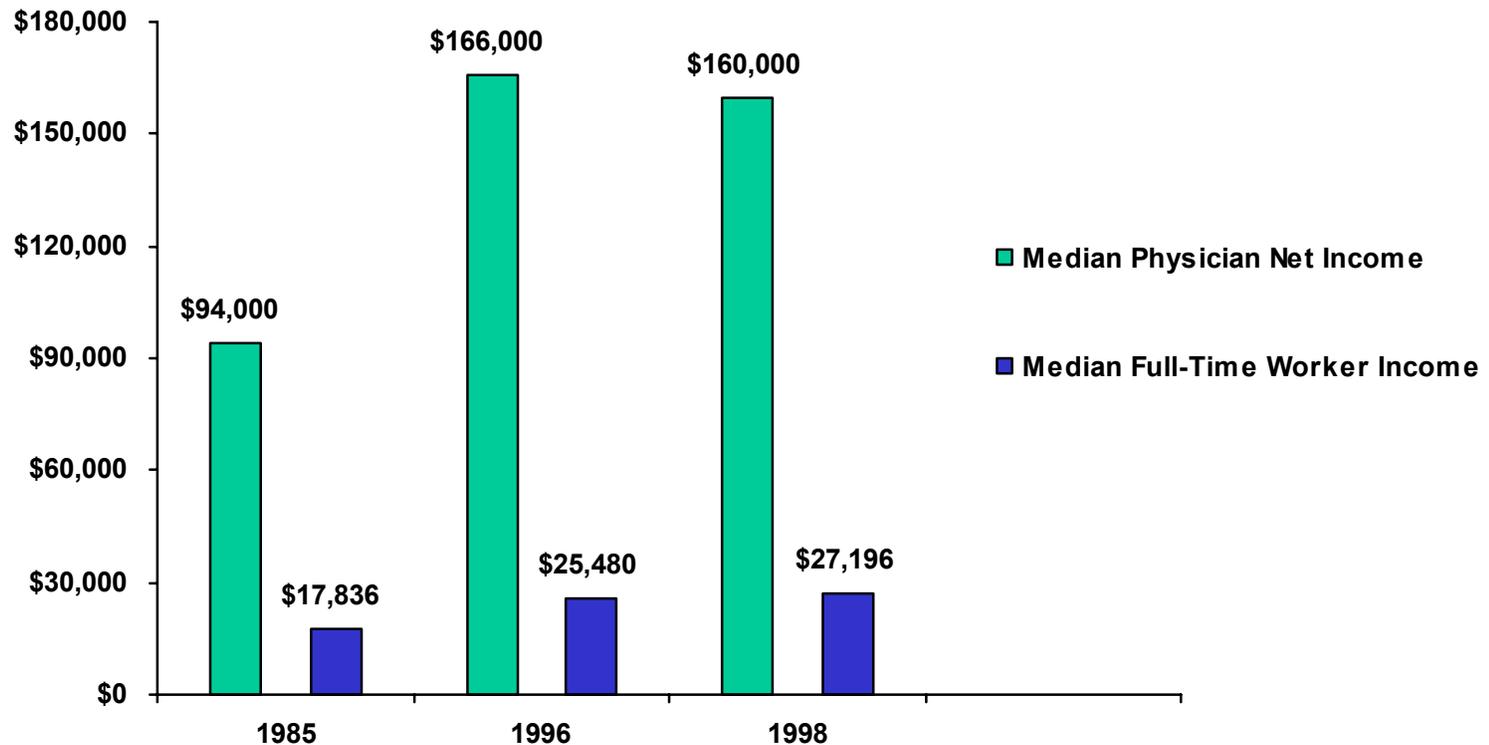


\*Note: Five of the nation's top 10 fastest growing occupations are in health care.

Source: Dept. of Labor, Bureau of Labor Statistics. Monthly Labor Review. November 2001.

## Table 1.15 Physician Income Compared to All Workers, Selected Years

*Physician income continues to be much higher than that of all full-time workers.*



Notes: Median Full-Time Worker Income reflects median weekly earnings of full-time workers multiplied by 52.

Source: 1998 Median Physician Net Income from *Modern Healthcare*, "Follow the Money, AMA's Long-Delayed Annual Report Offers Unsettling News on Physicians' Incomes" (January 1, 2001), p. 12.

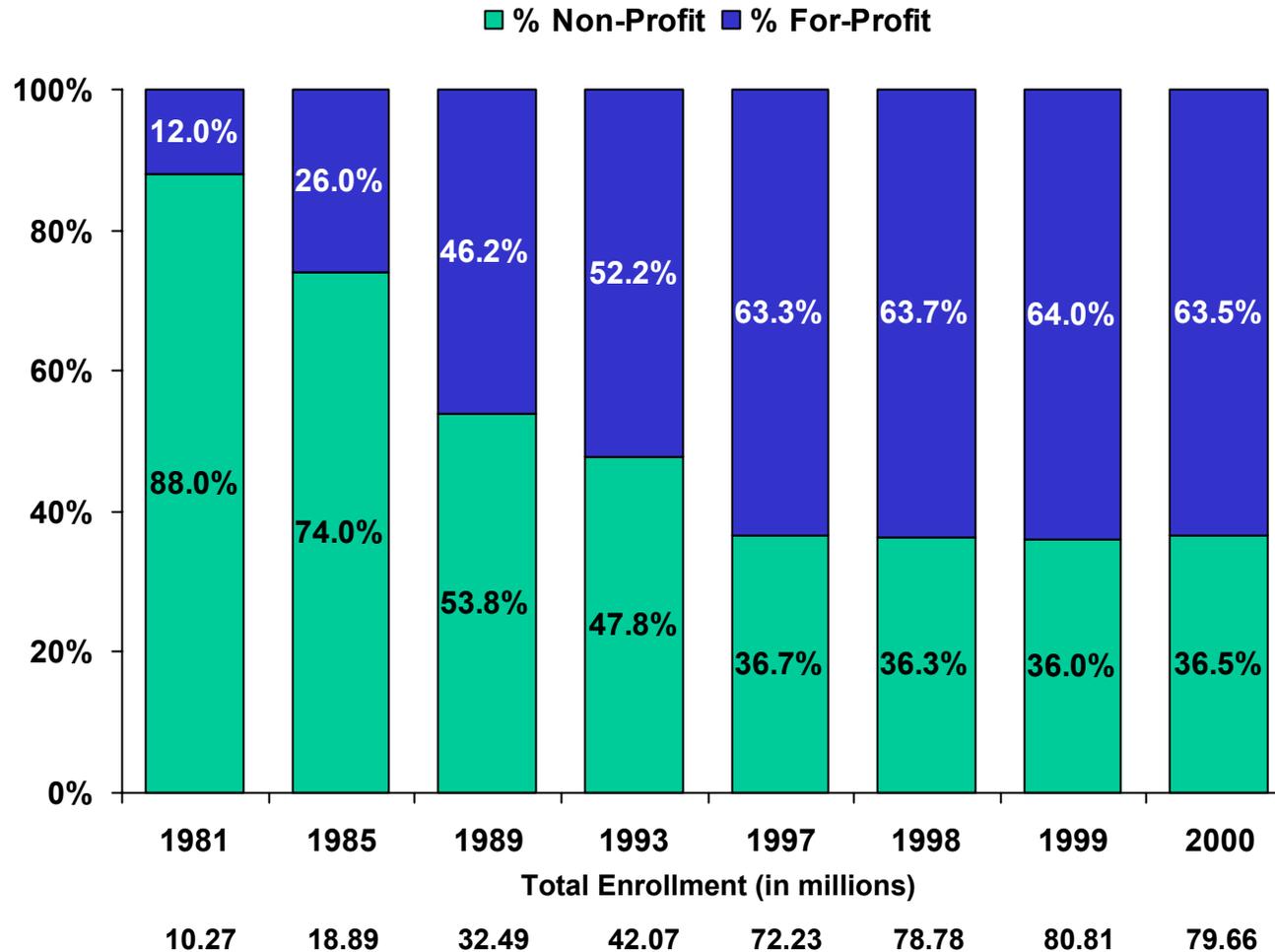
Wage & salary information for full-time workers from U.S. Census Bureau, Statistical Abstract of the United States, 1995-2000, Census web site at [www.census.gov/prod/www/statistical-abstract-us.html](http://www.census.gov/prod/www/statistical-abstract-us.html).

1985 and 1996 physician salary data from Kaiser Family Foundation analysis of data published by the American Medical Association, *Physician Marketplace Statistics*, and U.S. Census Bureau, *Statistical Abstract of the United States* as shown in *Trends and Indicators in the Changing Health Care Marketplace Chartbook*, Kaiser Family Foundation (August 1998), Exhibit 6.10, p.65.

Trends and Indicators in the Changing Health Care Marketplace, 2002 – Chartbook.

## Table 1.16 HMO Enrollment by Ownership Status, 1981-2000

*The proportion of HMO enrollees in for-profit plans grew over the past decade.*

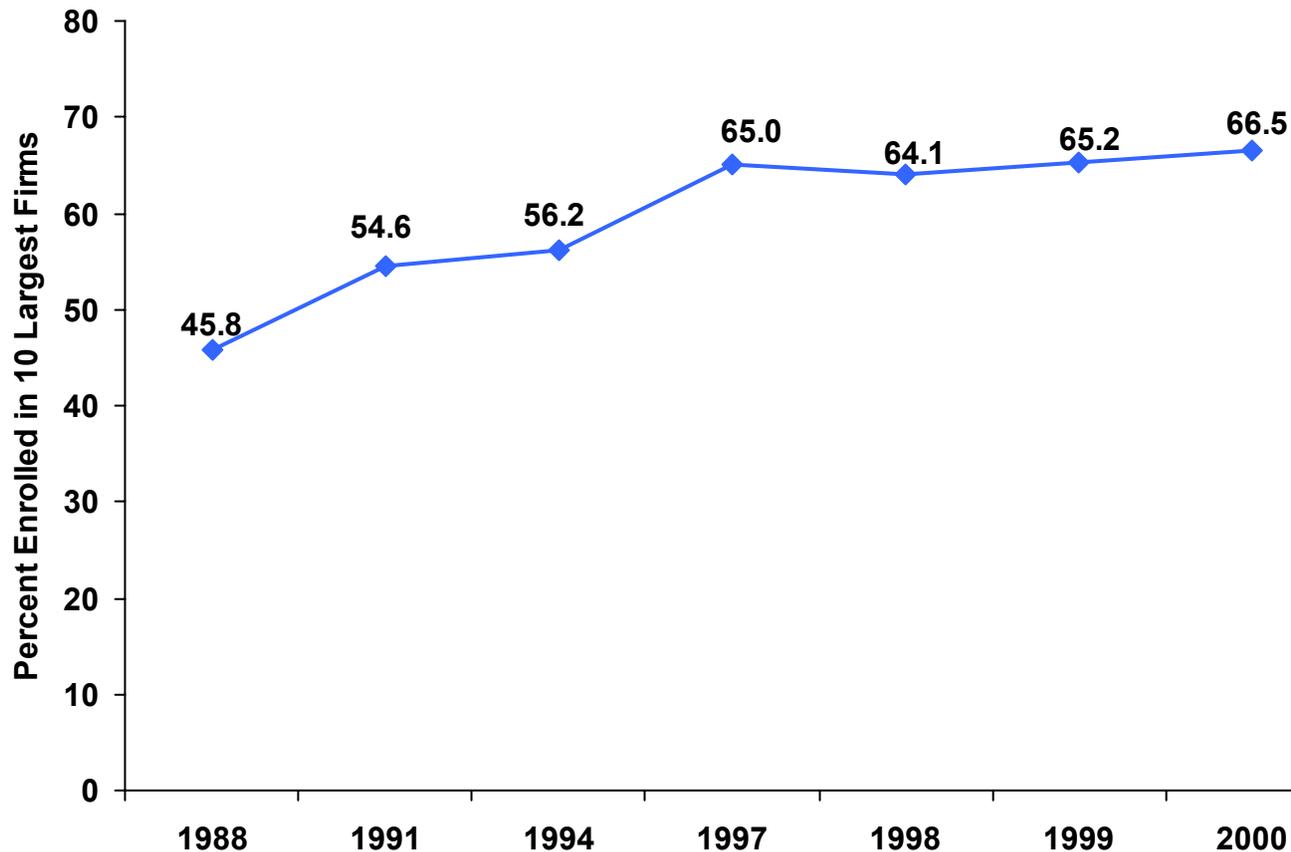


Note: HMO enrollment includes enrollees in both traditional HMOs and point-of-service (POS) plans through: group/commercial plans, Medicare, Medicaid, the Federal Employees Health Benefits Program, direct pay plans, supplemental Medicare plans, and unidentified HMO products.

Source: Trends & Indicators in the Changing Health Care Marketplace, 2002 -- Chartbook.

## Table 1.17 Concentration of Managed Care Enrollment, 1988-2000

*Two-thirds of managed care enrollees are enrolled in the nation's 10 largest managed care firms.*

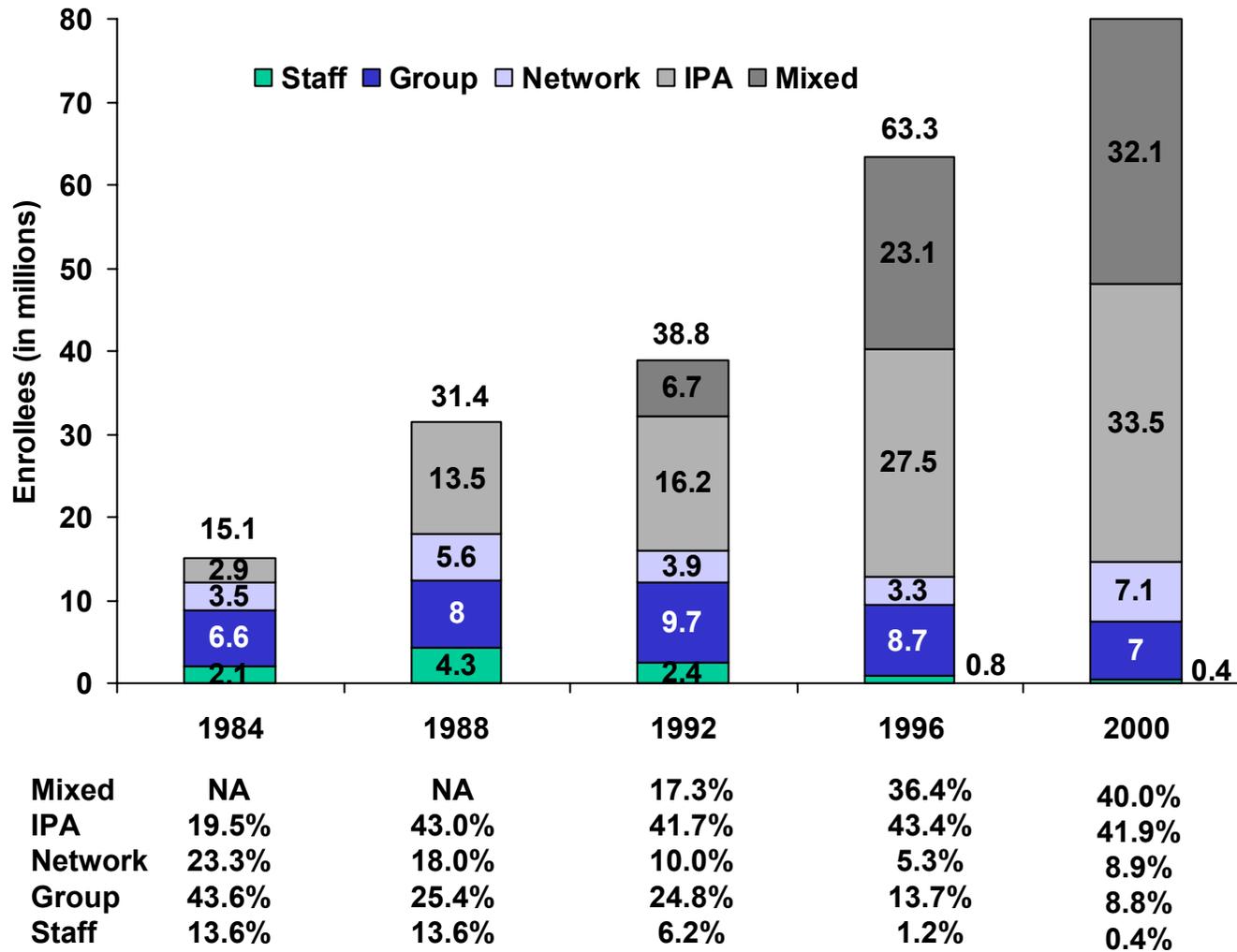


Note: The largest national managed care firms include Blue Cross and Blue Shield plans, Aetna US Healthcare, Kaiser Permanente, United Health, and PacifiCare. HMO enrollment includes enrollees in both traditional HMOs and point of service plans.

Source: Trends & Indicators in the Changing Health Care Marketplace, 2002 – Chartbook.

**Table 1.18**  
**Managed Care Enrollment by Type of Plan, 1984-2000**

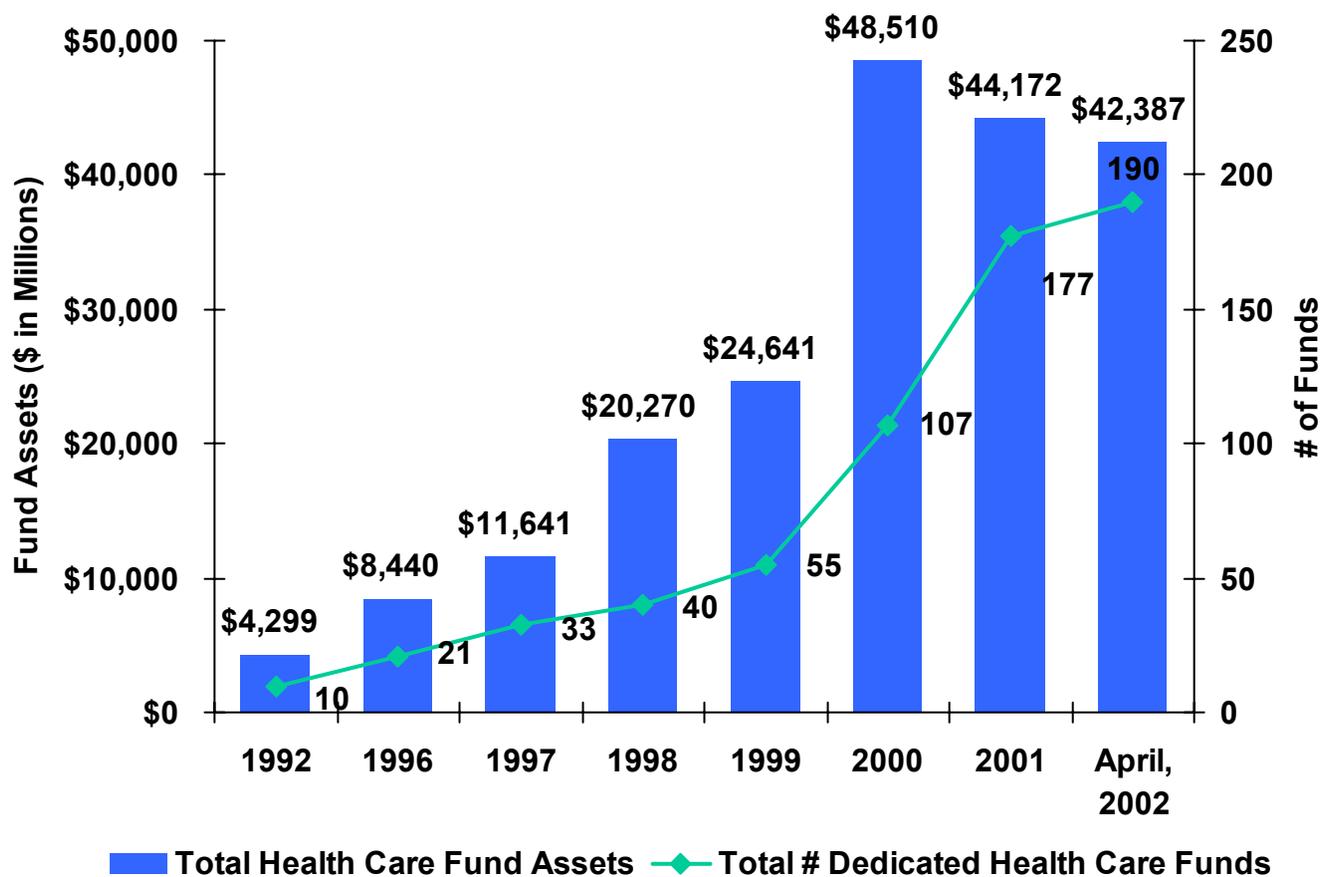
*Mixed model HMO plans have shown rapid growth.*



Source: Trends & Indicators in the Changing Health Care Marketplace, 2002 – Chartbook.

## Table 1.19 Number of Dedicated Health Care Mutual Funds and Amount of Fund Assets, 1992-2002

*The number of dedicated health care funds has grown from 10 in 1992 to 190 today.*

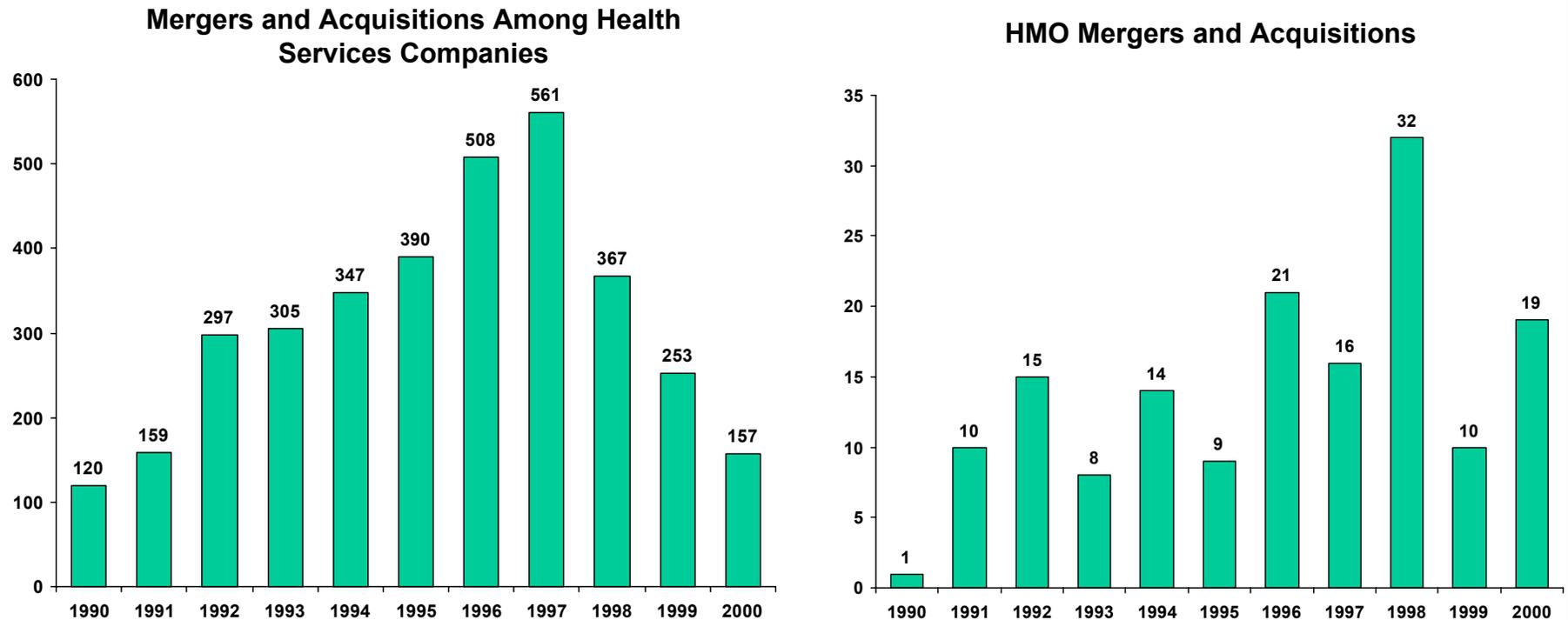


Source: J.P. Morgan and AMG Data as cited in CMS Market Update Report on acute care hospitals, April 29, 2002.

## Table 1.20

### Number of Mergers and Acquisitions Among Health Services Companies and HMOs, 1990-2000

*As stock prices took a downward turn and merged entities confronted management difficulties, the number of health company mergers fell sharply in recent years.*

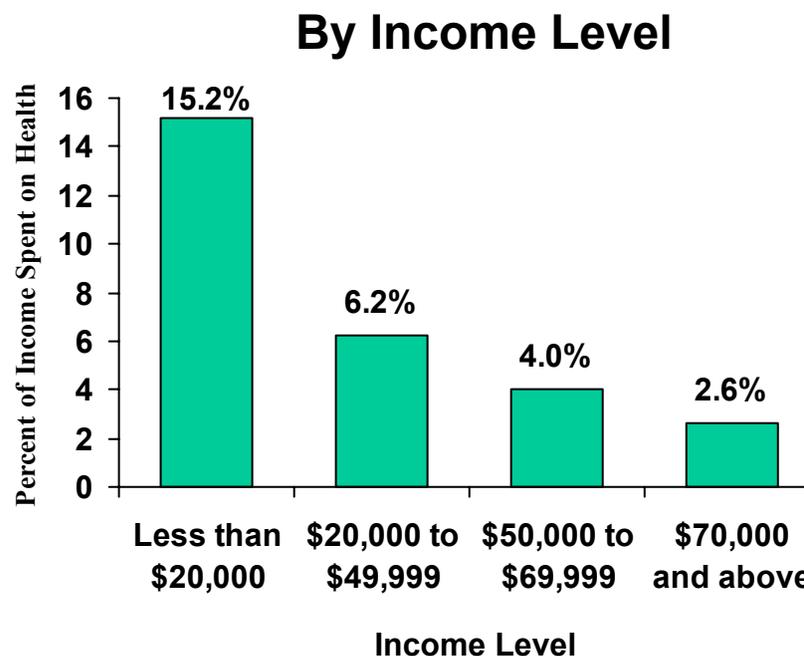
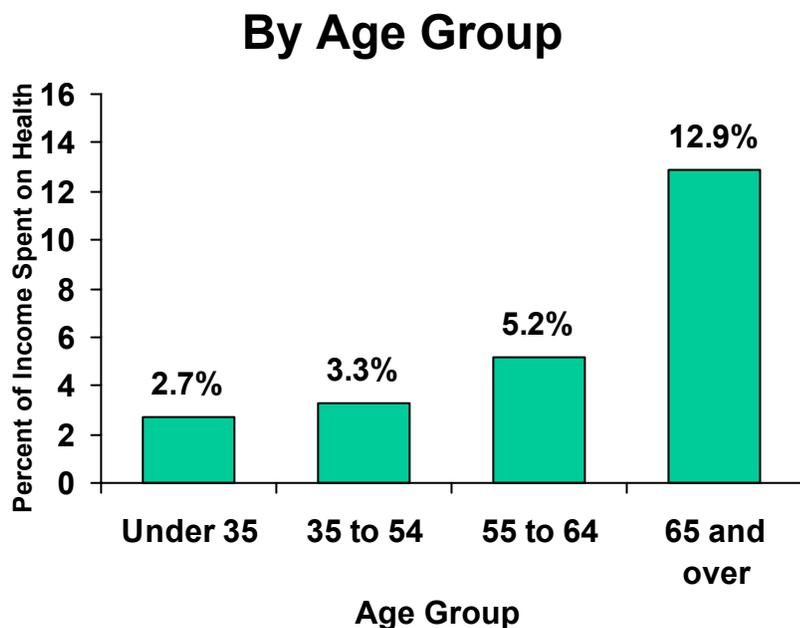


Note: Includes completed transactions sorted by date of transaction announcement. Health services companies include those with Standard Industrial Classification (SIC) codes 8000 through 8099: offices and clinics of doctors of medicine or osteopathy, dentists, or other health care providers; nursing and personal care facilities; hospitals; medical and dental laboratories, home health care services; and miscellaneous health and allied services. HMO companies include companies identified as primarily HMO companies (does not include multi-line property/casualty insurance companies that may have an HMO line that represents less than half of its business), as well as other companies classifying themselves as medical services plans (SIC 6324).

Source: Analysis prepared for the Kaiser Family Foundation by Securities Data Company, June 2001.

## Table 1.21 Out-of-Pocket Spending for Health Care as a Percent of Income by Age and Income Level, 2000

*Those over 65 and those with incomes under \$20,000 spend a higher percentage of their income on health than other groups.*

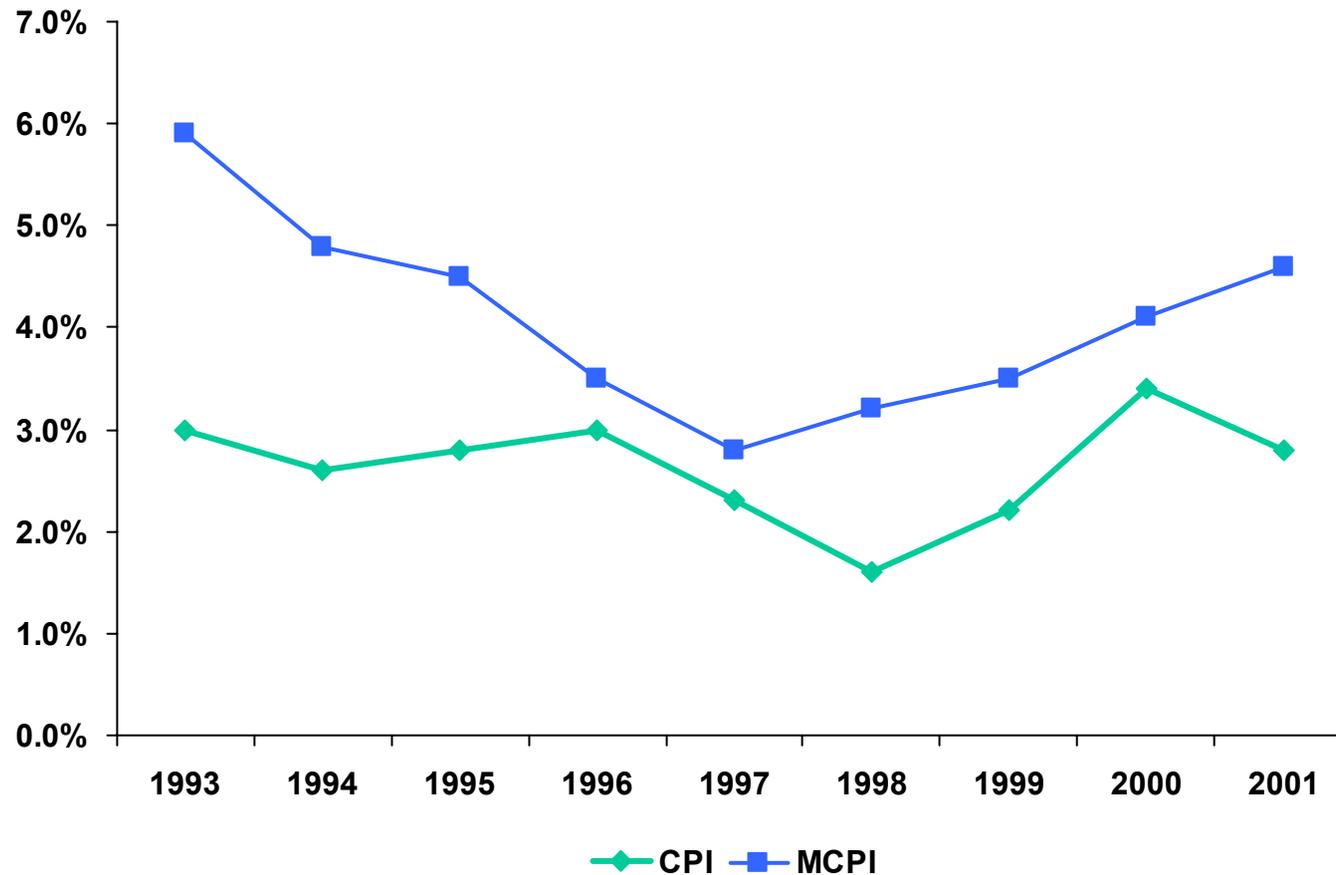


Source: Dept. of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey.

## Table 1.22

### Growth in the Overall Consumer Price Index (CPI) and Medical-Specific Consumer Price Index (MCPI), 1993-2001

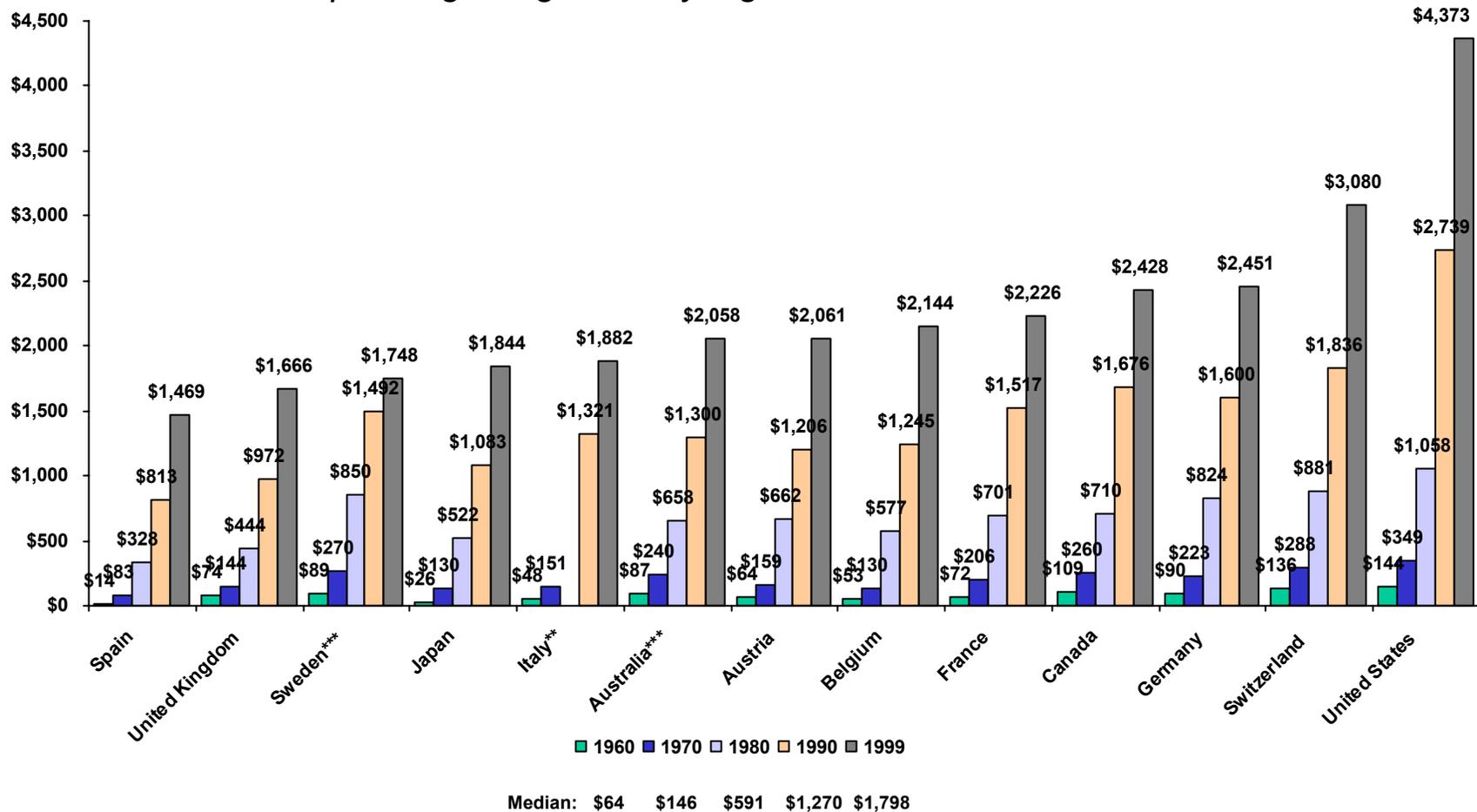
*Medical prices have risen faster than overall consumer prices.*



Source: Dept. of Labor, the Bureau of Labor Statistics.

## Table 1.23 Health Care Spending Per Capita by OECD Country, 1960-1999

*U.S. spending is significantly higher than other OECD countries.*



\*Expenditures in U.S. dollars using purchasing power parity rates.

\*\*For some years, no data was available.

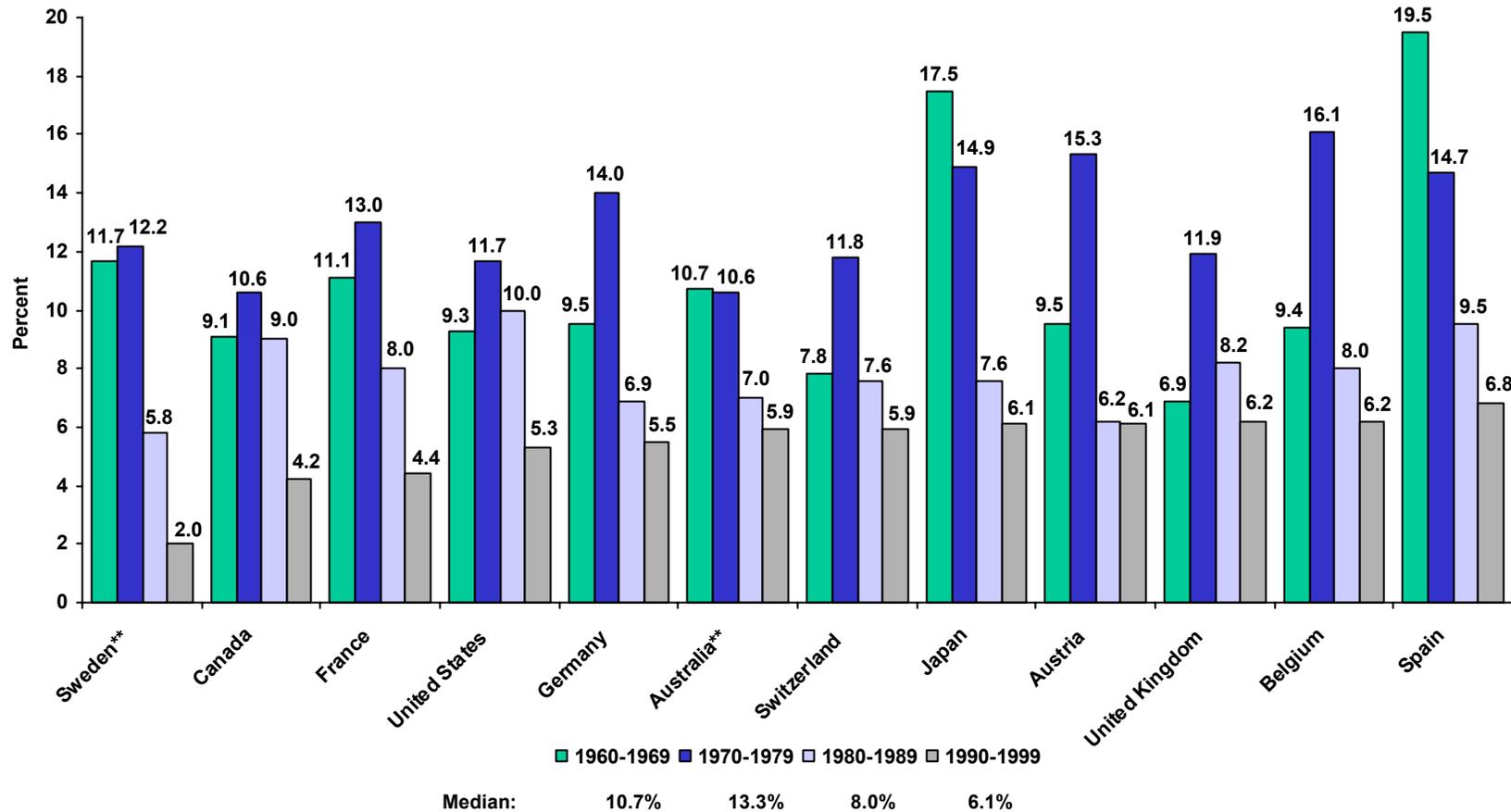
\*\*\*1998 data was used because 1999 was not available.

Note: The data is arrayed by expenditure levels for 1999. The medians include all OECD countries.

Source: OECD Health Data 2002.

## Table 1.24 Average Annual Growth in Per Capita Spending by Decade by OECD Country, 1960-1999

*Health spending growth over the last decade is lower in OECD countries than in prior decades.*



\*For some years, no data was available.

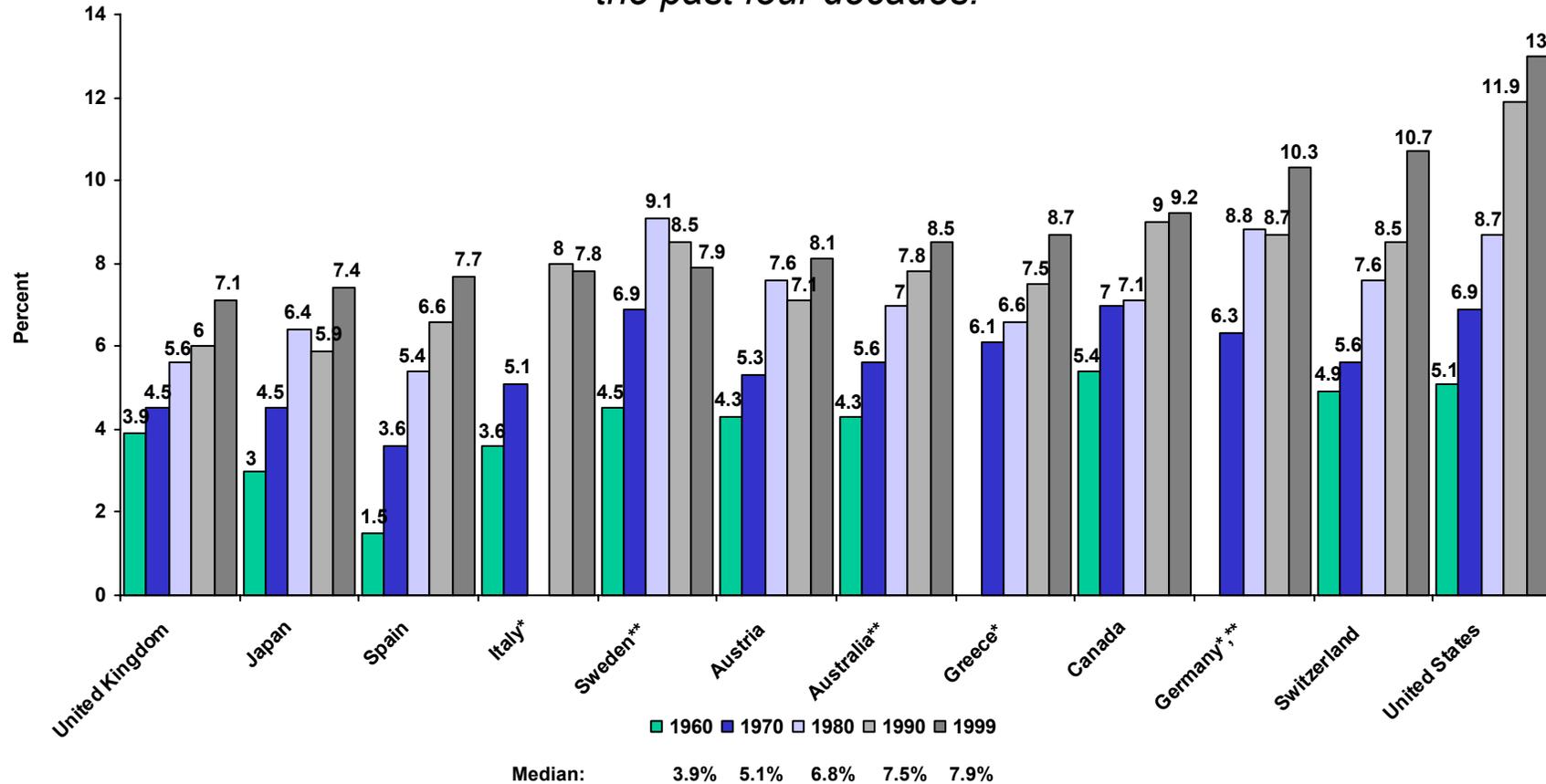
\*\*1998 data was used because 1999 was not available.

Note: Each bar represents the average annual nominal growth over the decade. The data is arrayed by spending growth from 1990 to 1999. The medians include all OECD countries.

Source: OECD Health Data 2002.

## Table 1.25 Percent of GDP Spent on Health Care by OECD Country, 1960-1999

*The U.S. has had a higher share of GDP spent on health than the OECD median for the past four decades.*



\*For some years, no data was available.

\*\*1997 data was used because 1999 was not available.

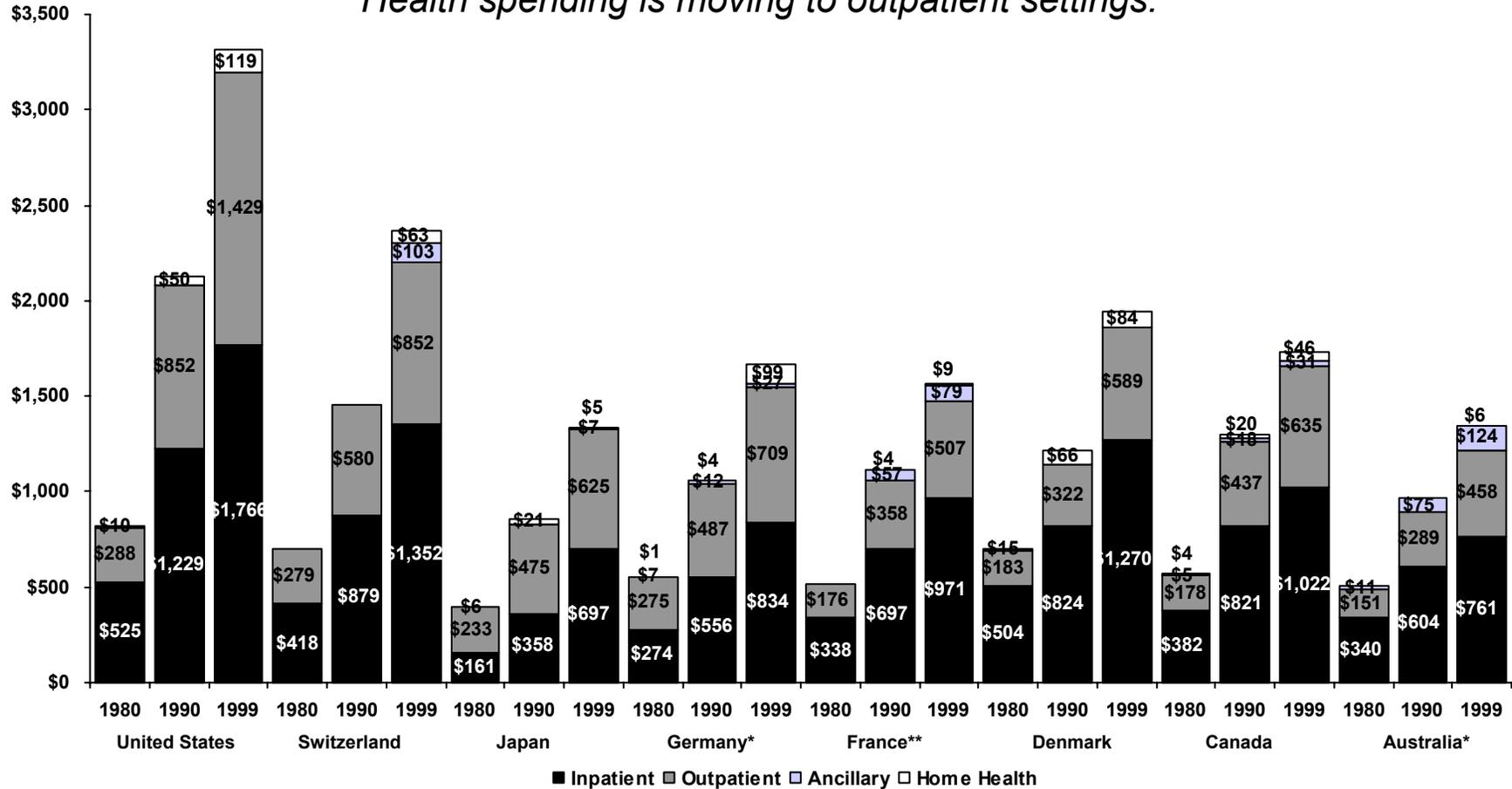
Note: The data is arrayed by spending growth from 1990 to 1999. The medians include all OECD countries.

Source: OECD Health Data 2002.

## Table 1.26

### Per Capita Health Spending by Type of Service by OECD Country, 1980-1999

*Health spending is moving to outpatient settings.*



\*The data for 1999 was missing, so 1998 data was used.

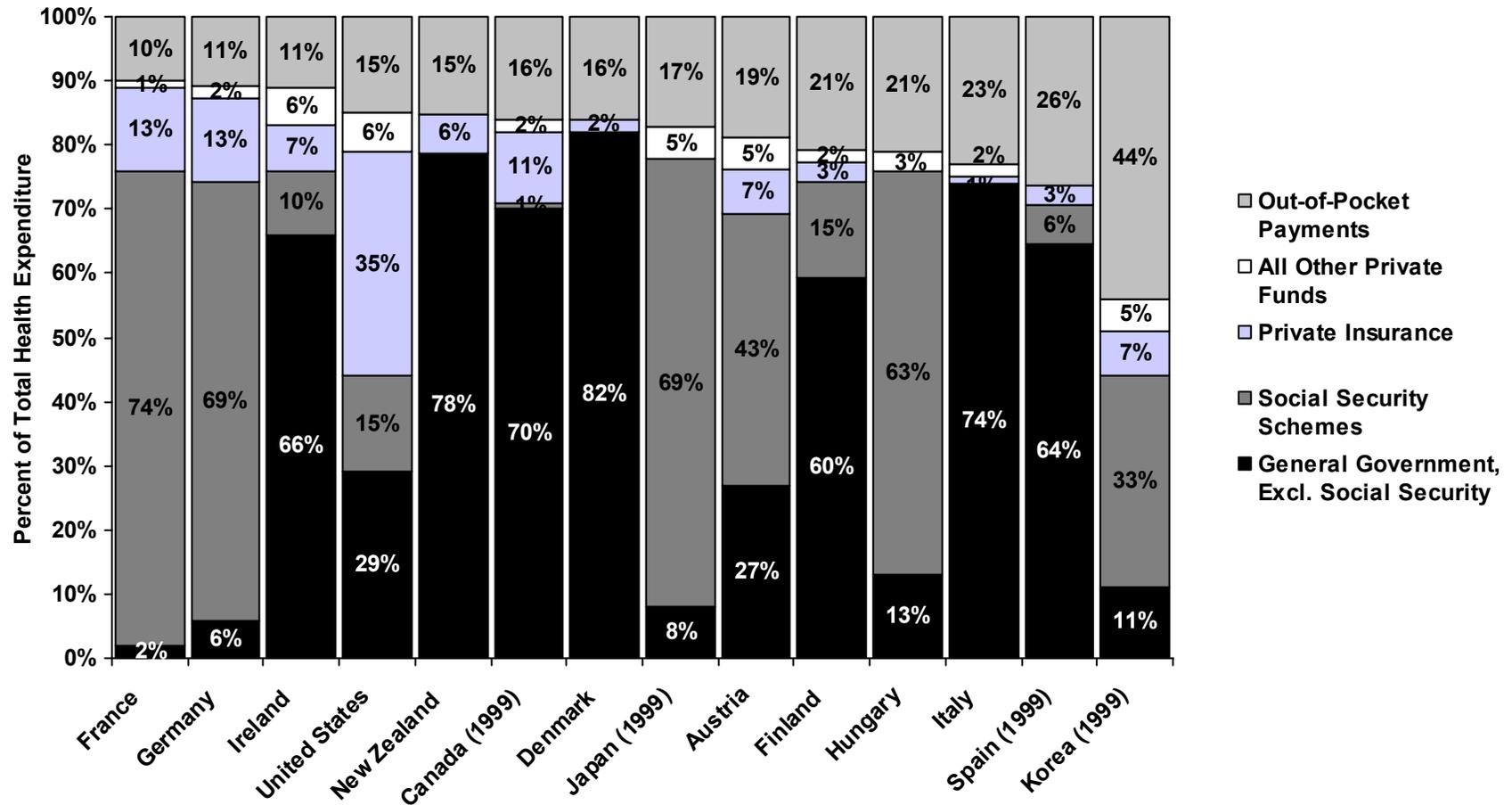
\*\*The data for 1980 came from the 2001 OECD Health Data.

Source: OECD Health Data 2002.

**Table 1.27**

**National Health Spending by Source of Funds by OECD Country, 2000**

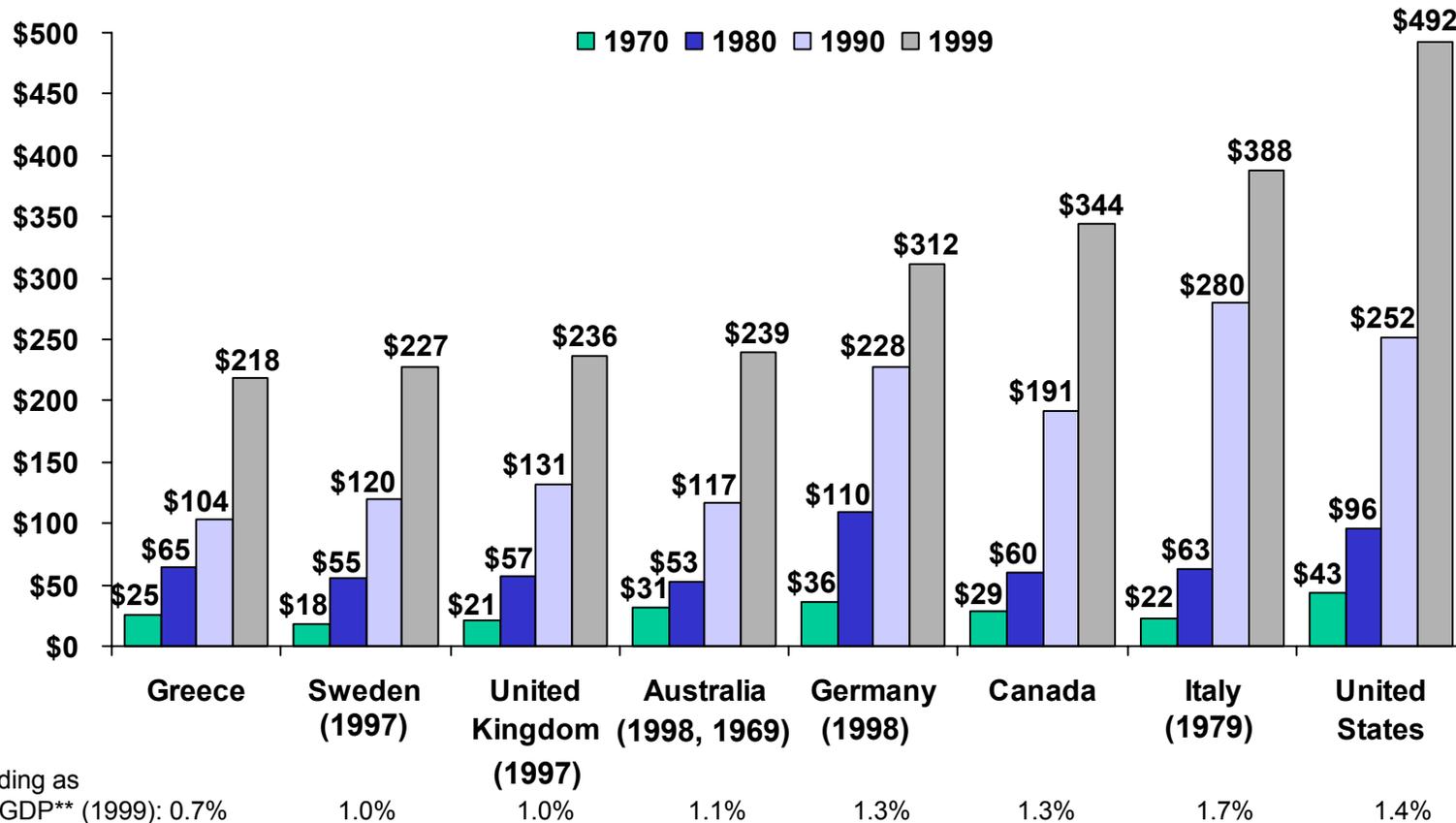
*Source of funding varies significantly by country. For instance, out-of-pocket spending ranges from 10% to 44% of health spending with the U.S. at about the average.*



Source: OECD Health Data 2002 2<sup>nd</sup> ed.

## Table 1.28 Per Capita Spending on Pharmaceuticals and Other Non-Durables by OECD Country, 1970-1999

*Per capita drug spending varies significantly across countries.*



Drug Spending as

Percent of GDP\*\* (1999): 0.7%

1.0%

1.0%

1.1%

1.3%

1.3%

1.7%

1.4%

Expenditures in U.S. dollars using purchasing power parity rates.

\*\*Reinhart, et. Al., 2002.

Note: Data is arrayed by spending levels for 1999.

Source: OECD Health Data 2002.

## Table 1.29

# Medical Technology and Use of High-Technology Medical Procedures by OECD Country, 1999

*Japan has the highest rates of diagnostic high-tech procedures, the U.S. has the highest rate of heart procedures.*

	MRIs per Million People	CT Scanners per Million People	Coronary Bypass Procedures per 100,000 People	Coronary Angioplasty Procedures per 100,000 People	Patients Undergoing Dialysis per 100,000 People	Bone Marrow Transplants per 100,000 People
Australia	4.5	20.8*	93*	97*	31.5	5.1
Austria	10.9	25.7	40*	53*	35.9	4.7
Canada	1.8*	8.2	65*	70*	42.2*	3.9*
Denmark	5.5	10.2	64	82	36.3	0.7*
France	2.5*	9.7*	35*	73*	37.0*	–
Germany	6.2*	17.1*	38*	86*	58.5*	–
Greece	1.2*	6.1*	61*	28*	48.2*	–
Hungary	1.5	5.2	68	27	12.5*	1.0
Italy	6.7	19.6	46	67	31.6*	6.8
Japan	23.2	84.4	–	–	155.7	–
Mexico	0.3	2.0	1	2	28.8	0.2
Netherlands	3.9*	9.0*	60*	72*	26.4	1.6*
Poland	0.4*	0.4*	17*	5*	119.7	–
Spain	4.6	11.6	15*	20*	43.7	5.8
Sweden	6.8*	13.8*	54*	–	25.4*	1.8
Switzerland	13.2*	19.0*	60*	65*	26.5*	1.0*
United Kingdom	4.5	6.1	41*	35*	27.0	–
United States	7.6*	13.2*	203*	339*	86.5*	3.1
Median	4.1	12.0	54	55	31.6	2.3

\*Earlier data used.

Source: Uwe E. Reinhardt, Peter S. Hussey, and Gerard F. Anderson. *Cross-National Comparisons of Health Systems Using OECD Data, 1999. Health Affairs. May/June 2002.*

## Table 1.30

### Selected Indicators of Morbidity by OECD Country, Selected Years

*Risky behaviors vary significantly by country: the U.S. has higher rates of obesity;  
Western Europe has higher rates of smoking.*

	1997 Incidence of Cancer (All Types of Malignant Neoplasms) per 100,000	2000 Incidence of AIDS in Population, per 1,000,000	1999 Total Surgeries on an In-patient Basis, per 1,000	2000 Percentage of Population That is Obese (BMI >30)	1998 Percentage of Population That are Daily Smokers	1999 Percentage of Total Live Births That are Low-birthweight Births
Australia	302.3	13.0	51.2	20.8*	22.8	6.2
Austria	249.2	9.6	129.8	8.5*	29.3*	6.5
Canada	401.5*	20.9	45.6	14.6*	23.8	5.6
Denmark	319.4*	10.0	60.8	7.6*	31.0	5.5*
France	261.0*	27.9	–	9.6	27.0 (2001)	6.4
Germany	412.3	8.2	77.6	11.5*	24.7 (1999)	6.5
Greece	273.0*	11.9	41.1*	–	37.0*	8.1
Hungary	319.4*	2.7	140.4	19.4	30.1 (2000)	8.5
Italy	–	33.7	109.1	8.6	24.7	6.0*
Japan	205.4*	2.6	–	2.9	34.3	8.4
Mexico	92.0	46.2	–	–	25.1	9.4
Netherlands	417.8	6.0	39.1	9.4	35.0	4.7
Poland	268.1*	2.6	–	11.4*	29.6*	6.0
Spain	–	66.8	56.5*	12.9*	33.1*	6.2*
Sweden	–	6.1	51.5	9.3	19.1	4.3
Switzerland	–	25.3	–	6.8*	33.0*	6.3
United Kingdom	242.5	13.8	–	21.0	27.0	7.6
United States	403.8	144.0	87.4	22.6*	19.9	7.6
Median	293.1	9.1	60.0	11.4	27.0	6.3

\*Earlier data used.

Median includes all OECD countries.

Source: OECD Health Data 2002.

**Table 1.31**  
**Selected Indicators of Mortality by OECD Country, 1998**

*The U.S. and Mexico are high on homicide and HIV infection rates. Japan and Europe are high on suicide rates. European nations are high on cancer mortality rates.*

	Cancer Mortality Rates, per 100,000	Suicide Rates for Total Population, per 100,000	Homicide Rates for Total Population, per 100,000	Homicide Rates for Young Males 20-29, per 100,000	HIV Mortality Rates for Total Population Due to HIV Infection, per 100,000
Australia	168.6	13.4	1.5	3.4 (1999)	0.7
Austria	168.6	16.5	1.1	1.0 (2000)	0.7
Canada	177.1*	11.4*	1.4*	3.6*	1.8*
Denmark	211.9	12.1	0.9	0.8	0.6
France	180.0	15.4	0.7	1.0	1.5
Germany	179.2	11.7	0.9	1.5 (1999)	0.6
Greece	150.4	3.2	1.2	2.2	0.3
Hungary	264.1	27.3	2.9	1.7 (2000)	0.2
Italy	174.8	6.3	1.2	3.4	2.0
Japan	155.6	20.3	0.6	0.5 (1999)	0.0
Mexico	133.8*	3.8*	19.1*	55.2*	18.4*
Netherlands	192.4	8.5	1.1	2.7 (1999)	0.7
Poland	200.2*	13.3*	2.5*	3.4 (1999)	0.3 (1999)
Spain	165.7	6.9	0.8	1.7	4.2
Sweden	152.3	11.9	1.1	1.7	0.3
Switzerland	155.9*	16.3*	1.4*	3.0*	3.2*
United Kingdom	188.8	6.9	0.7	2.0 (1999)	0.3
United States	174.9	10.7	6.8	25.8	4.3
Median	177.1	12.3	1.2	2.3	0.6

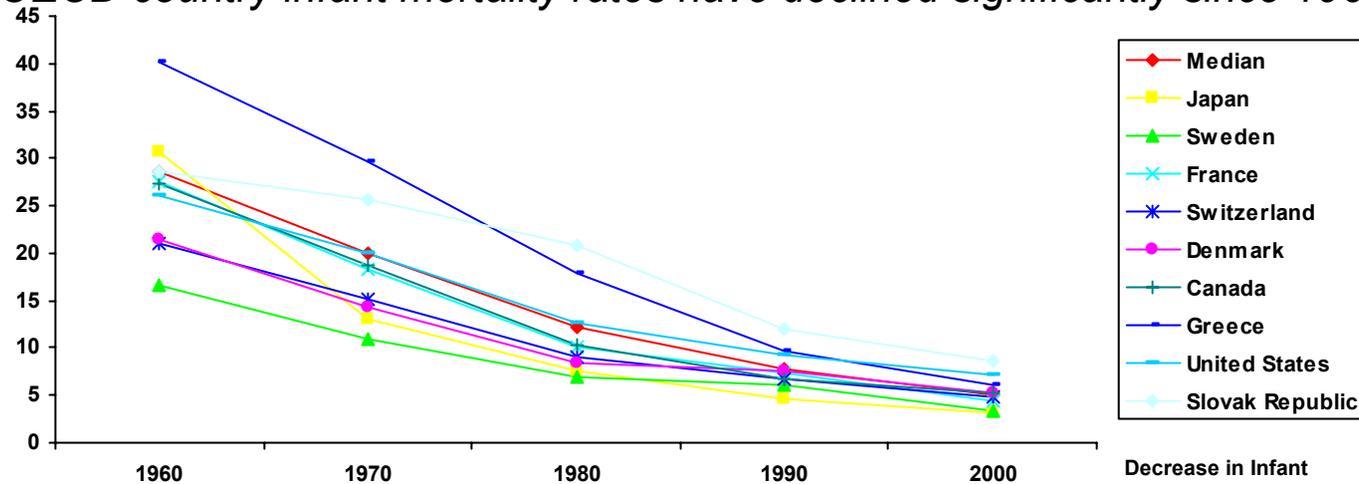
\*Earlier data used.

Median includes all OECD countries.

Source: OECD Health Data 2002.

## Table 1.32 Infant Mortality Rates (per 1,000 Live Births) by OECD Country, 1960-2000

*OECD country infant mortality rates have declined significantly since 1960.*



	1960	1970	1980	1990	2000	Decrease in Infant Mortality Rate 1960-2000
Median	27.5	20.1	12.1	7.9	5.0	22.25
Australia	20.2	17.9	10.7	8.2	5.2	-15.0
Austria	37.5	25.9	14.3	7.8	4.8	-32.7
Canada	27.3	18.8	10.4	6.8	5.3*	-22.0
Czech Republic	20.0	20.2	16.9	10.8	4.1	-15.9
Denmark	21.5	14.2	8.4	7.5	5.3	-16.2
France	27.5	18.2	10.0	7.3	4.5	-23.0
Germany	35.0	22.5	12.4	7.0	4.4	-30.6
Greece	40.1	29.6	17.9	9.7	6.1	-34.0
Hungary	47.6	35.9	23.2	14.8	9.2	-38.4
Italy	43.9	29.6	14.6	8.2	5.1	-38.8
Japan	30.7	13.1	7.5	4.6	3.2	-27.5
Netherlands	17.9	12.7	8.6	7.1	5.1	-12.8
Poland	54.8	36.7	25.5	19.3	8.1	-46.7
Slovak Republic	28.6	25.7	20.9	12.0	8.6	-20.0
Spain	43.7	28.1	12.3	7.6	4.6	-39.1
Sweden	16.6	11.0	6.9	6.0	3.4	-13.2
Switzerland	21.1	15.1	9.1	6.8	4.9	-16.2
United Kingdom	22.5	18.5	12.1	7.9	5.6	-16.9
United States	26.0	20.0	12.6	9.2	7.1*	-18.9

Note: The medians include all OECD countries. The decrease from 1960-2000 is in percentage points.

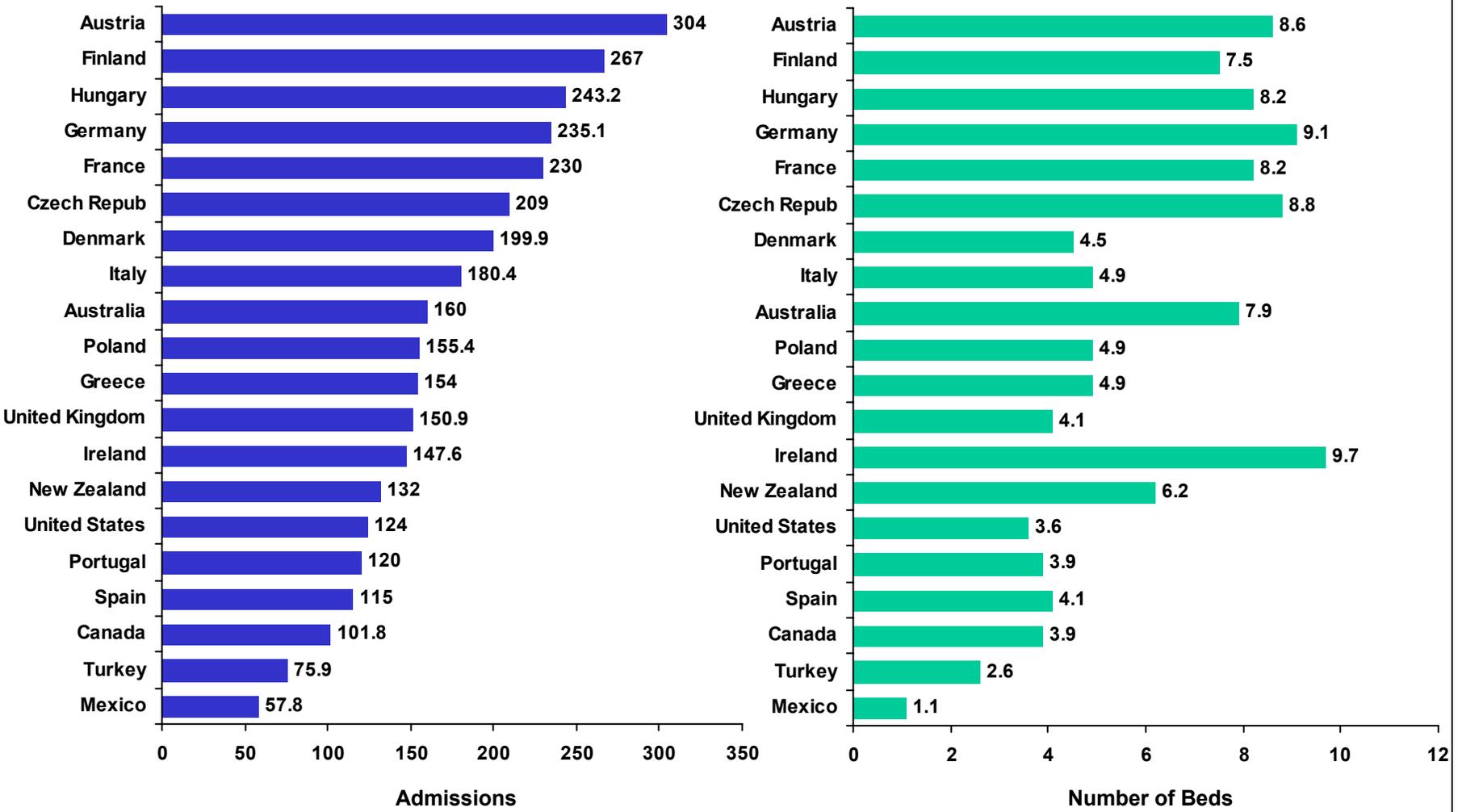
\*1999 data.

Source: OECD Health Data 2002.

# Table 1.33

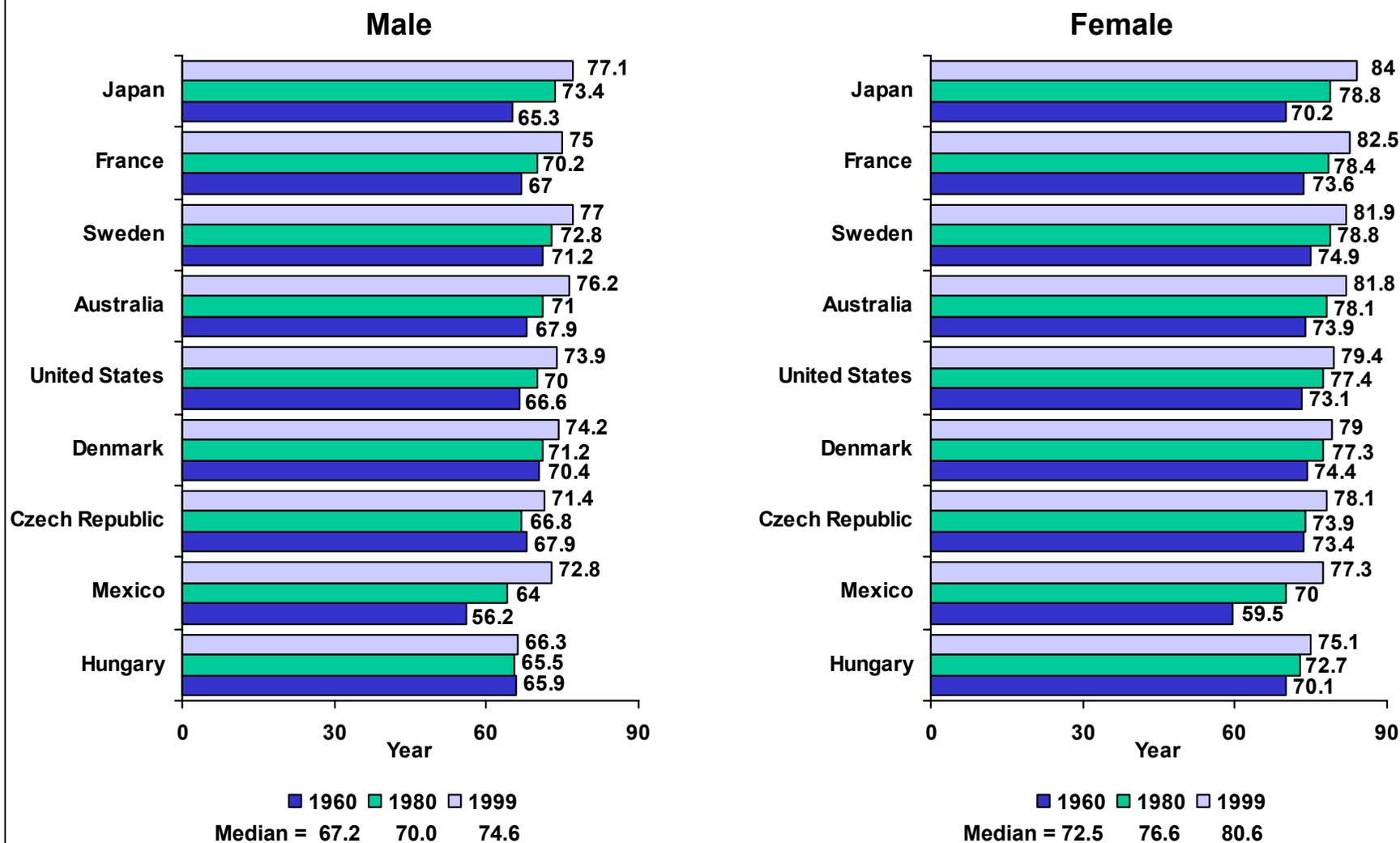
## Number of In-Patient Beds and Admissions per 1,000 Persons by OECD Country, 2000

*Admission rates generally track bed supply.*



Source: OECD Health Data 2002.

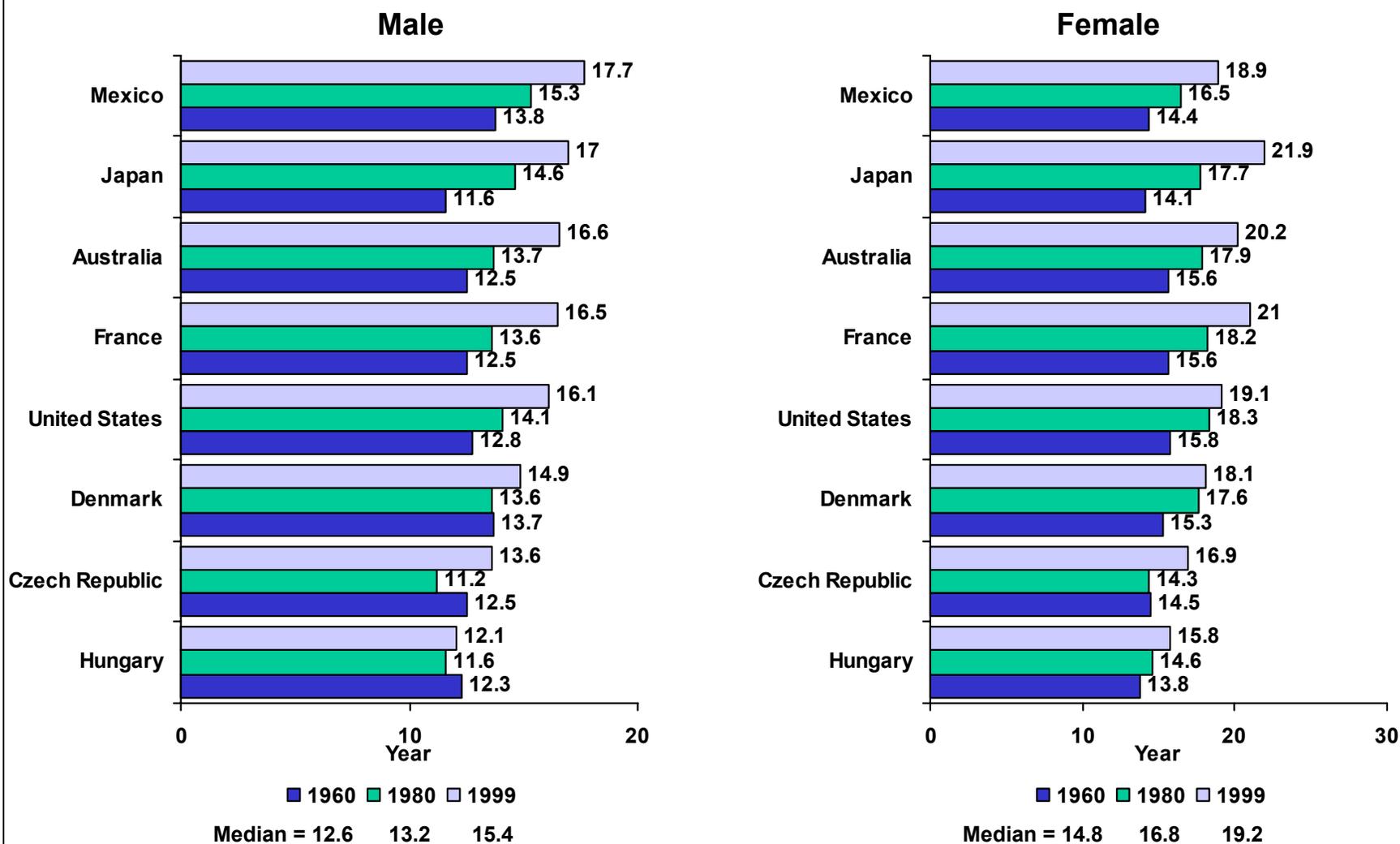
## Table 1.34 Male and Female Life Expectancy at Birth by OECD Country, 1960-1999



Note: Data are arrayed by male life expectancy; countries are kept together. The medians include all OECD countries.

Source: OECD Health Data 2002.

**Table 1.35**  
**Male and Female Life Expectancy at Age 65 by OECD Country, 1960-1999**



Note: Data are arrayed by male life expectancy; countries are kept together. The medians include all OECD countries.

Source: OECD Health Data 2002.